

# Brookfield

India Real Estate Trust

## BROOKFIELD INDIA REAL ESTATE TRUST

(Registered in the Republic of India as a contributory, determinate and irrevocable trust on July 17, 2020 at Mumbai, India under the Indian Trusts Act, 1882 and as a real estate investment trust on September 14, 2020 at Mumbai under the REIT Regulations (as defined herein) having registration number IN/REIT/20-21/0004)

**Principal Place of Business:** Candor TechSpace IT/ ITES SEZ, Building 5A/10, Sector-48, Tikri (Near Subash Chowk), Gurugram 122 018, Haryana, India  
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TRUSTEE	SPONSOR	MANAGER
 <b>AXIS TRUSTEE</b>	 <b>Brookfield</b>	 <b>Brookfield Properties</b>
Axis Trustee Services Limited	BSREP India Office Holdings V Pte. Ltd.	Brookprop Management Services Private Limited

Issue of up to [●] units (the “Units”) representing an undivided beneficial interest in Brookfield India Real Estate Trust (the “**Brookfield REIT**”) at a price of ₹[●] per Unit (the “**Issue Price**”) aggregating up to ₹[●] million (the “**Issue**”).

**THE ISSUE IS BEING MADE ONLY TO ELIGIBLE INSTITUTIONAL INVESTORS (AS DEFINED HEREIN) IN RELIANCE UPON REGULATION 14(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED (THE “REIT REGULATIONS”) AND THE GUIDELINES IN RELATION TO INSTITUTIONAL PLACEMENTS BY LISTED REITS IN THE MASTER CIRCULAR FOR REITS DATED JULY 6, 2023 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (THE “SEBI” AND SUCH GUIDELINES THE “SEBI INSTITUTIONAL PLACEMENT GUIDELINES”).**

The issued and outstanding Units are listed on the National Stock Exchange of India Limited (the “**NSE**”) and BSE Limited (“**BSE**” and together with NSE, the “**Stock Exchanges**”). In-principle approvals under SEBI Institutional Placement Guidelines for listing of the Units to be issued pursuant to the Issue have been received from NSE and BSE, on July 27, 2023. The Manager shall make applications to the Stock Exchanges for obtaining final trading and listing approvals for the Units to be issued pursuant to the Issue. A copy of this Preliminary Placement Document has been delivered to the Stock Exchanges and a copy of the Placement Document will be delivered to the Stock Exchanges.

**THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE INSTITUTIONAL INVESTORS IN RELIANCE UPON THE SEBI INSTITUTIONAL PLACEMENT GUIDELINES AND THE REIT REGULATIONS AND NO OFFER IS BEING MADE THROUGH THIS PRELIMINARY PLACEMENT DOCUMENT TO THE PUBLIC OR ANY OTHER CATEGORIES OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE INSTITUTIONAL INVESTORS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND WILL BE CIRCULATED ONLY TO SUCH ELIGIBLE INSTITUTIONAL INVESTORS WHOSE NAMES ARE RECORDED BY THE MANAGER PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO UNITS.**

Invitations, offers and sales of the Units in the Issue shall be made only pursuant to this Preliminary Placement Document, the Placement Document, the Application Form and the Confirmation of Allocation Note (each as defined hereinafter). For further information, see “*Issue Procedure*” beginning on page 322. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Manager to any person, other than the Eligible Institutional Investors specified by the Lead Managers or their representatives, and persons retained by such Eligible Institutional Investors to advise them with respect to their purchase of the Units, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not to make copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus, will not be circulated or distributed to the public at large in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

The Units offered in the Issue have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold (a) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“**Rule 144A**”) and referred to in this Preliminary Placement Document as “**U.S. QIBs**”) in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act; and (b) outside the United States in an “offshore transaction” as defined in and in compliance with Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as “QIBs”. Also see “*Selling Restrictions*” beginning on page 334.

**THIS PRELIMINARY PLACEMENT DOCUMENT HAS BEEN PREPARED BY THE MANAGER SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE.**

**YOU MAY NOT, AND ARE NOT AUTHORIZED TO, (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE REIT REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.**

**INVESTMENTS IN UNITS INVOLVE RISKS AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE ISSUE UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR ENTIRE INVESTMENT. FOR MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BROOKFIELD REIT, THE UNITS, THE ISSUE, AND THIS PRELIMINARY PLACEMENT DOCUMENT. INVESTORS ARE ADVISED TO CAREFULLY READ THIS PRELIMINARY PLACEMENT DOCUMENT, INCLUDING THE SECTION “RISK FACTORS” BEGINNING ON PAGE 37 BEFORE MAKING AN INVESTMENT DECISION. THE UNITS HAVE NOT BEEN RECOMMENDED OR APPROVED BY THE SEBI OR THE STOCK EXCHANGES AND NEITHER THE SEBI NOR THE STOCK EXCHANGES GUARANTEE THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT. ADMISSION OF THE UNITS TO TRADING ON THE STOCK EXCHANGES SHOULD NOT BE TAKEN AS AN INDICATION OF THE MERITS OF THE BUSINESS OF BROOKFIELD REIT OR THE UNITS. EACH ELIGIBLE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE UNITS BEING OFFERED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT.**

Unless a serially numbered Preliminary Placement Document along with an Application Form is addressed to a particular Eligible Institutional Investor, no invitation to offer shall be deemed to have been made to such Eligible Institutional Investor to make an offer to subscribe to Units pursuant to the Issue.

The information on the Brookfield REIT’s/Manager’s website, the Sponsor’s website, the Trustee’s website, any website directly or indirectly linked to such websites or the websites of the Lead Managers does not form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

This Preliminary Placement Document is dated July 27, 2023.

### LEAD MANAGERS



The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible Institutional Investors on a private placement basis and is not an offer to the public or to any other class of investors to subscribe to the Units. This Preliminary Placement Document is not an offer to sell any Units and is not soliciting an offer to subscribe to or buy the Units in any jurisdiction where such offer, sale or subscription is not permitted.

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## **SECTION I: GENERAL**

### **NOTICE TO INVESTORS**

The statements contained in this Preliminary Placement Document relating to the Brookfield REIT, the Units and the Target SPVs are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to the Brookfield REIT, the Units and the Target SPVs are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to the Trustee and the Manager. There are no other facts in relation to the Brookfield REIT, the Units and the Target SPVs, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, the Manager and the Trustee have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Investors acknowledge that they have not relied on the Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on his/her own examination of the Brookfield REIT and the Target SPVs and the merits and risks involved in investing in the Units.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of the Brookfield REIT or by or on behalf of the Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Manager to any person, other than the Eligible Institutional Investors specified by the Lead Managers or their representatives, and those retained by such Eligible Institutional Investors to advise them with respect to their purchase of the Units, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Units.

The distribution of this Preliminary Placement Document and the issue of the Units in certain jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Brookfield REIT, the Manager, the Trustee, the Lead Managers, or any other persons which would permit an issue of the Units or distribution of this Preliminary Placement Document in any jurisdiction, other than India where actions for that purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue material in connection with the Units may be distributed or published in or from any country or jurisdiction that would require registration of the Units in such country or jurisdiction. See "*Selling Restrictions*" beginning on page 334.

In making an investment decision, investors must rely on their own examination of the Brookfield REIT and the Target SPVs and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, tax, business, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, none of the Brookfield REIT, the Manager, the Trustee, the Lead Managers or any other persons are making any representation to any offeree or purchaser of the Units regarding the legality of an investment in the Units by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each purchaser of the Units is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Brookfield REIT under the REIT Regulations and is not prohibited by the SEBI or any other regulatory authority from buying, selling or dealing in securities or units. Each subscriber to the Units also acknowledges that it has been afforded an opportunity to request from the Manager and review information pertaining to the Brookfield REIT and the Target SPVs and the Units. This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to "you" or "your" is to the prospective investors in the Issue.

## **Notice to Prospective Investors in the United States**

The Units have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Preliminary Placement Document or approved or disapproved the Units. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of the Brookfield REIT and the Target SPVs and the terms of the Issue, including the merits and risks involved. The Units offered in the Issue have not been, and will not be, registered under the U.S. Securities Act or any other applicable law of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold (a) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Preliminary Placement Document as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and (b) outside the United States in an “offshore transaction” as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as “QIBs”.

Prospective purchasers in the United States are hereby notified that the sellers of Units offered hereby may be relying on the exemption from the registration requirements under Section 5 of the U.S. Securities Act. The Units are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Purchaser Representations and Warranties*” in this Preliminary Placement Document. Purchasers in the U.S. will be required to make the applicable representations set forth in “*Purchaser Representations and Warranties*” in this Preliminary Placement Document.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Preliminary Placement Document has been provided by the Brookfield REIT and other sources identified herein. Distribution of this Preliminary Placement Document to any person other than the offeree specified by the Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Brookfield REIT, is prohibited. Any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

## **Notice to Prospective Investors in the European Economic Area**

This Preliminary Placement Document has been prepared on the basis that all offers of the Units will be made pursuant to an exemption under the Prospectus Regulation, as implemented in Member States of the European Economic Area (“**EEA**”), from the requirement to produce a prospectus for offers of Units. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant Member State (*as defined below*). Accordingly, any person making or intending to make an offer within the EEA of Units which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for the Brookfield REIT or any of the Lead Managers to produce a prospectus for such offer. None of the Brookfield REIT and the Lead Managers have authorized, nor do they authorize, the making of any offer of the Units through any financial intermediary, other than the offers made by the Lead Managers which constitute the final placement of the Units contemplated in this Preliminary Placement Document.

## **AVAILABLE INFORMATION**

The Brookfield REIT is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Securities Exchange Act**”). In order to permit compliance with Rule 144A under the U.S. Securities Act in connection with resales of the Units, the Brookfield REIT agrees to furnish upon request of a holder of its Units, or any prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) of the U.S. Securities Act if at the time of such request the Brookfield REIT is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act, or is not exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

The Brookfield REIT agrees to comply with any undertakings given by it from time to time in connection with the Units to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to each such

Stock Exchange all such information as the rules of such Stock Exchange may require in connection with the listing of the Units on such Stock Exchange.

**Any information about the Brookfield REIT and the Target SPVs available on any website of the SEBI, the Stock Exchanges, the Brookfield REIT/Manager, the Sponsor or the Lead Managers shall not constitute a part of the Preliminary Placement Document and no investment decision should be made on the basis of such information.**

#### **Disclaimer**

This Preliminary Placement Memorandum and the Placement Memorandum relate to an Issue being made only to Eligible Institutional Investors in reliance upon the SEBI Institutional Placement Guidelines and the REIT Regulations and no offer is being made to the public or to any other class of investors.

This Preliminary Placement Document does not, directly or indirectly, relate to any invitation, offer or sale of any securities, instruments or loans (including any debt securities or instruments) that may be issued by the Brookfield REIT or any of the Portfolio Companies and the Target SPVs concurrently with or after the listing of the Units pursuant to the Issue. Any person or entity investing in such issue or transaction by the Brookfield REIT or any of the Portfolio Companies and the Target SPVs should consult its own advisors and neither the Lead Managers nor their respective associates or affiliates have any responsibility or liability for such issue or transaction.

#### **Disclaimer of the Stock Exchanges**

As required, a copy of this Preliminary Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;
2. warrant that the Units issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or
3. take any responsibility for the financial or other soundness of the Brookfield REIT, its management or any scheme or project of the Brookfield REIT.

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Units may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## REPRESENTATIONS BY INVESTORS

All references to “you” or “your” in this section are to Eligible Institutional Investors in the Issue. By Bidding for and subscribing to any Units under the Issue, you are deemed to have represented to the Brookfield REIT, the Manager, the Trustee and the Lead Managers, and acknowledged and agreed as follows:

1. you are an (a) an Eligible Institutional Investor (as defined herein); and (b) undertake to acquire, hold, manage or dispose of any Units that are Allotted (as defined herein) to you in accordance with the REIT Regulations and other applicable law, including in respect of reporting requirements, if any, in connection with the Issue;
2. you are eligible to invest in Units in India under applicable law, including the FEMA Rules (as defined herein), and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or units, or otherwise accessing capital markets in India;
3. you have been provided a serially numbered copy of this Preliminary Placement Document and have read this Preliminary Placement Document in its entirety, including, in particular, the section “*Risk Factors*” beginning on page 37;
4. you will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable law;
5. if you are Allotted Units pursuant to the Issue, you will not, for a period of one year from the date of Allotment (as defined herein), sell the Units so acquired except on the Stock Exchanges. See “*Purchaser Representations and Warranties*” beginning on page 343;
6. you will provide the information as required for record keeping by the Manager and the Trustee, on behalf of the Brookfield REIT, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details;
7. you are aware that the Units have not been and will not be registered through a prospectus or any other offer document for a public offering under the REIT Regulations or under any other law in force in India. This Preliminary Placement Document has not been verified or affirmed by the SEBI, the Stock Exchanges or any other regulatory or listing authority and will not be filed with any RoC, and is intended only for use by Eligible Institutional Investors. This Preliminary Placement Document has been filed with the Stock Exchanges for record purposes only and has been displayed on the websites of the Brookfield REIT and the Stock Exchanges;
8. you are aware that the Issue is an institutional placement of Units and no offer is being made to the public or to any other category of investors, other than Eligible Institutional Investors and Allotment of Units will be on a discretionary basis, at the discretion of the Manager in consultation with the Lead Managers;
9. you are permitted to subscribe to the Units under the laws of all relevant jurisdictions which are applicable to you and that you have complied with such laws and have all necessary capacity and have obtained all necessary consents and authorizations as may be required and completed all necessary formalities, to enable you to commit to your participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document) and that you will honor such obligations;
10. none of the Brookfield REIT, the Manager, the Trustee, the Lead Managers or any of their respective Unitholders/shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates are making any recommendations to you, or advising you regarding the suitability of any transactions you may enter into in connection with the Issue, and that your participation in the Issue is on the basis that you are not and will not, until the Allotment of Units, be a client of the Lead Managers and that the Lead Managers have no duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;
11. you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements and undertakings set forth in “*Purchaser Representations and Warranties*” beginning

on page 343;

12. all statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding the Brookfield REIT's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Brookfield REIT's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Brookfield REIT's present and future business strategies and environment in which the Brookfield REIT will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. None of the Brookfield REIT, the Manager, the Trustee, the Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements in this Preliminary Placement Document;
13. in making your investment decision, (i) you have relied on your own examination of the Brookfield REIT, the Portfolio Companies, Target SPVs and the terms of the Issue, including the merits and risks involved, (ii) you have relied upon your own investigations and resources in deciding to invest in the Units, (iii) you have consulted your own independent advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters, (iv) you have relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by the Brookfield REIT, the Manager, the Trustee, the Lead Managers, the Sponsor, the Sponsor Group or any other party, and (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Brookfield REIT and the Units;
14. neither the Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Units (including, but not limited to, the Issue and the use of the proceeds from the Units). You will obtain your own independent tax advice and will not rely on the Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates when evaluating the tax consequences in relation to subscription, purchase, ownership and disposal of the Units (including, but not limited to, the Issue and the use of the proceeds from the Units). You waive and agree not to assert any claim against the Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates with respect to the tax aspects of the Units or as a result of any tax audits by tax authorities, wherever situated;
15. you are a sophisticated investor, and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Units; you and any accounts for which you are subscribing to the Units (a) are each able to bear the economic risk of the investment in the Units (including sustaining a complete loss on the investment), (b) will not look to the Brookfield REIT, the Manager, the Trustee, the Lead Managers or any of their respective Unitholders/shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, including losses arising out of non-performance by the Manager or the Trustee of any of their respective obligations or any breach of any representations and warranties by the Manager or the Trustee, whether to you or otherwise, (c) have no need for liquidity with respect to the investment in the Units and (d) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Units except in accordance with applicable law;
16. that where you are acquiring the Units for one or more managed accounts, you represent and warrant that you are authorized in writing by each such managed account to acquire the Units for each such managed account and to make (and you hereby make) the representations, warranties, acknowledgements and undertakings herein for and on behalf of each such managed account, reading the reference to "you" to include such accounts;
17. you are not a "sponsor" or "manager", each as defined under the REIT Regulations, of the Brookfield REIT and are not a person related to, a related party or associate (as defined under the REIT Regulations) of any of the Sponsor or the Manager, either directly or indirectly, and your Bid does not directly or

- indirectly represent the Sponsor or the Manager of the Brookfield REIT or persons related to, related parties of or associates of the Sponsor or the Manager;
18. you will have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein) and you will pay full consideration for the Units at the time of Bidding through banking channels;
  19. you are eligible to Bid for and hold the Units Allotted to you pursuant to the Issue, together with any Units held by you prior to the Issue. You further confirm that your Unitholding, upon the issue of the Units, shall not exceed the permissible levels as per any applicable law;
  20. you understand that the Units to be Allotted in the Issue will, when issued, be credited as fully paid and will rank *pari passu* in all respect with all other Units, including in respect of the right to receive all distributions declared, made or paid in respect of the Units after the Allotment;
  21. you understand that, none of the Manager or the Trustee has any obligation to purchase or subscribe to all, or any part, of the Units subscribed by you in the Issue, or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue;
  22. the Bid submitted by you or your subscription to the Units will not result in acquisition of Units which taken together with Units already held by you and any person acting in concert with you in the Brookfield REIT exceeding 25% of the value of the outstanding units of the Brookfield REIT;
  23. you are aware that the pre and post-Issue Unitholding pattern of the Brookfield REIT will be filed by the Manager with the Stock Exchanges and the Manager will also file an allotment report with the SEBI providing details of the Allottees and the Allotment made and you consent to such disclosure being made by us;
  24. you acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not, confer upon or provide you with any right of renunciation of the Units offered pursuant to the Issue in favour of any person;
  25. you are aware that (i) applications for in-principle approval for listing and admission of the Units and for trading on the Stock Exchanges were made and approval has been received from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval for the Units pursuant to the Issue will be made only after Allotment. There can be no assurance that the final approvals for listing and trading of the Units will be obtained in time or at all. Neither the Brookfield REIT, the Manager, the Trustee, the Lead Managers nor their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;
  26. you shall not undertake any trade in the Units credited to your beneficiary account opened with the Depository Participant until such time that the final listing and trading approvals for the Units under the Issue are granted by the Stock Exchanges;
  27. you are not the Trustee, or the Valuer or an employee of the Valuer involved in the valuation of the Asset SPVs;
  28. you are aware and understand that the Lead Managers have entered into a Placement Agreement with the Manager and the Trustee (on behalf of the Brookfield REIT) pursuant to which the Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use reasonable endeavours to procure subscription for the Units on the terms and conditions set forth therein;
  29. the contents of this Preliminary Placement Document are exclusively the responsibility of the Manager and the Trustee, on behalf of the Brookfield REIT, and neither the Lead Managers nor any person acting on their behalf or any of the counsel or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of the Brookfield REIT and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. You acknowledge that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Units is contained



in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Units. By participating in the Issue, you agree to this and confirm that you have neither received nor relied on any other information (including any view, statement, opinion or representation expressed in any research published or distributed by the Lead Managers or any of their respective affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of any of the Lead Managers or their respective affiliates), representation, warranty or statement made by or on behalf of the Lead Managers or the Brookfield REIT or any other person and that the Lead Managers, the Brookfield REIT, the Manager, the Trustee (including their respective Unitholders/shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates) or any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

30. you agree to indemnify and hold the Brookfield REIT, the Manager, the Trustee, the Lead Managers and their respective directors, officers, employees, controlling persons and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document, including this section and “*Purchaser Representations and Warranties*” beginning on page 343. You agree that the indemnity set forth in this paragraph shall survive the resale of the Units Allotted under the Issue by or on behalf of the managed accounts;
31. you understand that neither the Lead Managers nor their respective affiliates have any obligation to purchase or acquire all or any part of the Units subscribed to by you in the Issue or to support any losses, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by the Manager or the Trustee of any of their respective obligations or any breach of any representations or warranties by the Manager or the Trustee, whether to you or otherwise;
32. you agree that any dispute arising in connection with the Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Mumbai, India shall have the exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document or the Placement Document;
33. you are seeking to purchase the Units for your own investment and not with a view to distribute or resell. In particular, you acknowledge that (a) an investment in the Units involves a high degree of risk and that the Units are, therefore, a speculative investment, (b) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Units, and (c) you are experienced in investing in private placement transactions of securities, units and other instruments of trusts in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investment matters that you are capable of evaluating the merits and risks of your investment in the Units;
34. you confirm that, either: (a) you have not participated in or attended any investor meetings or presentations by the Brookfield REIT, the Manager, the Trustee or their respective agents in relation to the Brookfield REIT, the Units or the Issue (“**REIT Presentations**”); or (b) if you have participated in or attended any REIT Presentations: (i) you understand and acknowledge that the Lead Managers may not have knowledge of the statements that the Brookfield REIT, the Manager, the Trustee, the Target SPVs or their respective agents may have made at such REIT Presentations and are therefore unable to determine whether the information provided to you at such REIT Presentations may have included any material misstatements or omissions, and, you acknowledge that the Lead Managers have advised you not to rely in any way on any information that was provided to you at such REIT Presentations; and (ii) confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information relating to the Brookfield REIT, the Target SPVs or the Issue that was not made publicly available by the Manager (on behalf of the Brookfield REIT) or the Target SPVs;
35. if you are a FPI, you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with the SEBI under the applicable law in India, and are permitted to participate in the Issue under applicable law including the FEMA Rules;
36. you are not our affiliate or a person acting on behalf of such an affiliate;

37. that each of the representations, warranties, acknowledgements and agreement set out above shall continue to be true and accurate at all times until and including the Allotment, listing and trading of Units pursuant to the Issue; and
38. the Brookfield REIT, the Manager, the Trustee, the Lead Managers, their respective directors, officers, employees, controlling persons, affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are irrevocable.

## **OFFSHORE DERIVATIVE INSTRUMENTS**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying; all such offshore derivative instruments are referred to as “**P-Notes**”), directly or indirectly, subject to the following conditions: (i) such P-Notes are issued only by Category I FPIs; (ii) such P-Notes are issued only to persons eligible for registration as Category I FPIs (and where an entity has an investment manager who is from a Financial Action Task Force member country, the investment manager will not be required to be registered as a Category I FPI); (iii) such P-Notes are issued after compliance with the ‘know your client’ norms specified by the SEBI; and (iv) any other conditions as may be specified by the SEBI from time to time. FPIs are also required to ensure that any transfer of P-Notes issued by or on behalf of it, is subject to the following conditions: (i) such P-Notes are transferred to persons that fulfil the above requirements and (ii) prior consent of the FPI is obtained for such transfer, except if the persons to whom P-Notes are to be transferred are pre-approved by the FPI. P-Notes can be issued overseas by an FPI against securities held by it in India, as its underlying.

An FPI is required to disclose to the SEBI any information concerning the terms of and parties to P-Notes entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India in the form and at such times as specified by the SEBI. An FPI is also required to collect a prescribed regulatory fee from every subscriber to P-Notes issued by it and deposit such fee with the SEBI.

Any P-Notes that may be issued are not securities of the Brookfield REIT and do not constitute any obligation of, claims on or interests in the Brookfield REIT. The Brookfield REIT, the Manager or the Trustee have not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Brookfield REIT, the Manager and the Trustee. Neither the Manager nor the Trustee makes any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the Lead Managers and do not constitute any obligations or claims on the Lead Managers. Associates and affiliates of the Lead Managers may or may not issue P-Notes against Units allocated to them in the Issue. Such associates and affiliates of the Lead Managers may receive commissions and other fees in connection with the issuance, offer and sale of P-Notes. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning any P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto. Neither the SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable law and regulations.

## DEFINITIONS

*In addition to the terms defined elsewhere, this Preliminary Placement Document uses the definitions and abbreviations set out below which you should consider when reading the information contained herein.*

Notwithstanding the foregoing, terms in the sections “*Legal and Other Information*”, “*Taxation*”, “*Financial Information of the Brookfield REIT*” and “*Summary Financial Information*” beginning on pages 351, 354, B-1, and 247 respectively, shall have the meanings given to such terms in these respective sections and annexures.

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

*The words and expressions used in this Preliminary Placement Document, but not defined herein shall have the meaning ascribed to such terms under the REIT Regulations, the SEBI Guidelines, SEBI Institutional Placement Guidelines, the SEBI Act, the SCRA and the rules and regulations made thereunder.*

*In this Preliminary Placement Document, unless the context otherwise requires, a reference to “we”, “us” and “our” refers to the Brookfield REIT and our Portfolio Companies, collectively.*

### **Brookfield REIT Related Terms**

<b>Term</b>	<b>Description</b>
Aerobode	Aerobode One Private Limited
Acquisition Transactions	Downtown Powai Acquisition, G1 Acquisition and the MIOP Acquisition. For further details, please see “ <i>The Acquisition Transactions</i> ”.
Asset SPVs	Collectively, Candor Kolkata, Festus, SPPL Noida and SDPL Noida
Associates	Associates of any person shall be as defined under the Companies Act or under the applicable accounting standards and shall include the following: (i) any person controlled directly or indirectly by the said person; (ii) any person who directly controls the said person; (iii) where the said person is a company or a body corporate, any person(s) who is designated as promoter(s) of the company or body corporate and any other company or body corporate with the same promoter(s); and (iv) where the said person is an individual, any relative of the individual In compliance with the provisions of Regulation 2(1)(b) of the REIT Regulations, our Manager has identified the associates of the Brookfield REIT, our Sponsor and Manager except with respect to sub-clause (ii) of Regulation 2(1)(b), which requires any person who controls, both directly and indirectly, the said person to be identified as an associate. With respect to the aforesaid, only entities which directly control the Brookfield REIT, our Sponsor or Manager, as applicable, have been considered
Auditor	Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N), statutory auditors of the Brookfield REIT
Audit Committee	The audit committee of our Board
Audited Financial Statements of G1 SPV	The audited Ind AS financial statements of G1 SPV which comprise the balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, the statement of profit and loss (including other comprehensive income), the statement of cash flows and statement of changes in equity for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 along with a summary of significant accounting policies and explanatory information
Board/ Board of Directors	The board of directors of our Manager
Borrowing Policy	Policy adopted pursuant to a resolution passed by our Board on September 26, 2020 which aims to outline the framework to be followed by the Brookfield REIT, our Portfolio Companies, and Holding Company (if any), in respect of their borrowing.
BPY	Brookfield Property Partners L.P.
Brookfield REIT/ Brookfield India REIT	Unless the context otherwise requires, Brookfield India Real Estate Trust and the Portfolio Companies
Brookfield Corporation	Brookfield Corporation ( <i>formerly known as Brookfield Asset Management Inc.</i> )
Brookfield/ Brookfield Group	Brookfield Corporation and its affiliates
Brookfield Group Entities	Persons (including funds, co-investment vehicles and partnerships (including limited partnerships)), controlled (directly or indirectly), and where applicable, also advised and managed (directly or indirectly) by: (a) Brookfield Asset Management Ltd.; or (b) Brookfield; or (c) jointly by Brookfield Asset Management Ltd. and Brookfield
Brookfield Property Group	Brookfield Group’s real estate business

<b>Term</b>	<b>Description</b>
BSREP IOH	BSREP India Office Holdings Pte. Ltd.
BSREP IOH II	BSREP India Office Holdings II Pte. Ltd.
BSREP IOH III	BSREP India Office Holdings III Pte. Ltd.
BSREP IOH IV	BSREP India Office Holdings IV Pte. Ltd.
BSREP II India	BSREP II India Office Holdings II Pte. Ltd.
BSREP V Sponsor	BSREP India Office Holdings V Pte. Ltd.
CCDs	Compulsory convertible debentures
Candor Amended and Restated Service Agreement	Agreement dated April 1, 2023, entered between the Property Manager, CIOP and our Manager
Candor Amended and Restated Transition, Operations and Maintenance Agreements	Agreements, each dated December 1, 2020 entered into between CIOP and the Candor Asset SPVs (except SDPL Noida), respectively, each as amended by way of the First Amendment to Amended and Restated Transition, Operations and Maintenance Agreements, each dated August 23, 2021
Candor Assets	Candor Techspace K1 (owned by Candor Kolkata), Candor Techspace G2 (owned by Candor Kolkata), Candor Techspace N1 (owned by SPPL Noida) and Candor Techspace N2 (owned by SDPL Noida)
Candor Asset SPVs	Together, Candor Kolkata, SPPL Noida and SDPL Noida
Candor Kolkata	Candor Kolkata One Hi-Tech Structures Private Limited
Candor Techspace G1	Completed tower nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, amenity block I and amenity block II, all situated in Sector 48, Gurugram 122 016, Haryana, India
Candor Techspace G2	Completed tower nos. 1, 2, 3, 4 (amenity block I), 4A (amenity block II), 5, 6, 7, 8A, 8B, 9, 11 and 10 (MLCP), all situated at Dundahera, Sector 21, Gurugram 122 016, Haryana, India
Candor Techspace K1	Completed tower nos. A1, A2, A3, B1, B2, B3, G1, G2, G3, C1, C2, C3 and Under Construction tower F all situated at Action Area – 1D, New Town, Rajarhat, Kolkata 700 156, West Bengal, India
Candor Techspace N1	Completed tower nos. 1, 2, 3, 5, 6, 7 (amenity block) and 8 (amenity block), and Future Development Potential towers 4A and 4B, all situated at Plot No. 2, Block No. B, Sector 62, Noida, Gautam Budh Nagar 201 301, Uttar Pradesh, India
Candor Techspace N2	Completed tower nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, amenity block 1 (ground floor), amenity block 2 and guard room, and Future Development Potential towers 12 and Amenity block 1 (additional floors), all situated at Plot No. 20-21, Sector – 135, Noida, Uttar Pradesh - 201304
Candor Trademark Agreement	Agreement dated September 26, 2020 entered into between CIOP, Candor Asset SPVs, G1 SPV, our Manager and the Brookfield REIT
Capital Contribution	The total amount contributed by our Unitholders, either by payment of cash towards subscription of Units or allotment of Units by way of a swap of shareholding/ interests in our Asset SPVs/ CIOP or against transfer of Real Estate Assets into the Brookfield REIT, or in any other manner whatsoever
CIOP/Operational Service Provider	Candor India Office Parks Private Limited
Compliance Officer	The compliance officer of the Brookfield REIT
Composite Scheme	A composite scheme of amalgamation and arrangement between Downtown Powai SPV, Vrihis, Mars, Striton, Aerobode, Parthos and their respective shareholders, filed before the NCLT on December 22, 2021
Consolidated Financial Statements	The audited consolidated Ind AS financial statements of Brookfield REIT which comprise the consolidated balance sheet as at March 31, 2022 and March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows, the consolidated statement of changes in Unitholders' equity for the years ended March 31, 2022 and March 31, 2023 and the statement of net assets at fair value as at March 31, 2022 and March 31, 2023 and the statement of total return at fair value for the year ended March 31, 2022 and March 31, 2023 and the statement of Net Distributable Cash Flow of the Brookfield REIT for the year ended March 31, 2022 and March 31, 2023 along with a summary of significant accounting policies and explanatory notes. Such financial statements have been prepared in accordance with the basis of preparation described in Note 2.1 to the audited consolidated Ind AS financial statements
Distribution Policy	The distribution policy of the Brookfield REIT, in accordance with REIT Regulations, adopted on September 26, 2020
Downtown Powai Acquisition	The proposed acquisition of 50% of the share capital of Downtown Powai SPV (on a fully diluted basis) by each of the Downtown Powai Buyers in accordance with the Downtown Powai Securities Purchase Agreements and subscription to the Downtown Powai Consideration NCDs by each of the Brookfield REIT and Reco Iris (in accordance with the terms of the Downtown Powai Debenture Subscription Agreement)

Term	Description
Downtown Powai Acquisition Agreements	Downtown Powai REIT SPA, Downtown Powai SHA, Downtown Powai Interim SHA and Downtown Powai Debenture Subscription Agreement
Downtown Powai Board	Board of directors of the Downtown Powai SPV
Downtown Powai Buyers	Brookfield REIT and Reco Europium Private Limited
Downtown Powai Consideration NCDs	1,750,000 unlisted non-convertible debentures of Downtown Powai SPV with a face value of ₹1,000 each and having such terms and conditions as set out in the Downtown Powai Debenture Subscription Agreement, for a cash consideration of ₹1,750 million, to be utilized by Downtown Powai SPV towards payment of (a) interest/ coupon on the CCDs held by Project Diamond; and (b) principal amount, interest/ coupon and redemption amount on unlisted NCDs to be issued to Project Diamond FPI, pursuant to the implementation of the Composite Scheme.
Downtown Powai Debenture Subscription Agreement	Debenture subscription agreement between the Brookfield REIT (acting through the Manager), Downtown Powai SPV, Project Diamond and Reco Iris dated May 18, 2023
Downtown Powai Debt Repayment NCDs	Unlisted non-convertible debentures of Downtown Powai SPV to be issued for an amount not exceeding ₹1,750 million (or such reduced amount in accordance with the Downtown Powai SHA), to be utilized by Downtown Powai SPV for the purpose of partial repayment of certain external debt availed by Downtown Powai SPV or for such other purposes as will be set forth under the debenture subscription agreement,) in the form and format substantially similar to the terms of subscription under the Downtown Powai Debenture Subscription Agreement
Downtown Powai Interim SHA	Shareholders' agreement proposed to be entered into between the Brookfield REIT, Project Diamond, Project Diamond FPI and Downtown Powai SPV in accordance with the terms of the shareholders' agreement
Downtown Powai Property Management Agreement	Property management agreement between CIOP and Downtown Powai SPV dated May 18, 2023 for provision of property management services by CIOP to Downtown Powai SPV
Downtown Powai REIT SPA	Securities purchase agreement between the Brookfield REIT (acting through the Manager), Project Diamond and Downtown Powai SPV dated May 18, 2023
Downtown Powai Sale Securities	Downtown Powai sale securities means a total of: (a) 4,879,500 Equity Shares; and (b) 28,606,156 CCDs (as set out in Part F of Schedule I of the Downtown Powai REIT SPA)
Downtown Powai Securities	The term 'securities' as defined under the Downtown Powai SHA.
Downtown Powai Securities Purchase Agreements	Collectively, the Reco Europium SPA and the Downtown Powai REIT SPA
Downtown Powai Sellers	Project Diamond and Project Cotton
Downtown Powai SHA	The shareholders' agreement dated May 18, 2023 executed between the Brookfield REIT, Reco Europium and Downtown Powai SPV and includes any amendments, addendums or supplemental agreements or documents as may be entered into by each of the parties in writing
Downtown Powai SPV/Kairos	Kairos Property Managers Private Limited
Equity Shares	Equity shares of Downtown Powai SPV and G1 SPV, respectively
Festus	Festus Properties Private Limited
Festus Service Agreement	Agreement dated April 1, 2023 entered into between our Property Manager, Festus and our Manager
Financial Statements	Together, the Special Purpose Condensed Combined Financial Statements and the Consolidated Financial Statements
G1 Acquisition	The proposed acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV by each of the G1 Buyers in accordance with the G1 Securities Purchase Agreements and subscription to the G1 Consideration NCDs by each of Brookfield REIT and Reco Iris (in accordance with the terms of the G1 Debenture Subscription Agreement)
G1 Acquisition Agreements	G1 REIT SSPA, G1 SHA, G1 Interim SHA and G1 Debenture Subscription Agreement
G1 Board	Board of directors of G1 SPV
G1 Buyers	Brookfield REIT and Reco Cerium Private Limited
G1 Consideration NCDs	300,000 unlisted non-convertible debentures of G1 SPV with a face value of ₹1,000 each and having such terms and conditions as set out in the G1 Debenture Subscription Agreement, for a cash consideration of ₹300 million, to be utilized by G1 SPV towards payment of interest/ coupon on CCDs held by BSREP IOH II
G1 Debenture Subscription Agreement	Debenture subscription agreement between Brookfield REIT (acting through the Manager) G1 SPV, BSREP IOH II and Reco Iris dated May 18, 2023
G1 Debt Repayment NCDs	Unlisted non-convertible debentures of G1 SPV to be issued for an amount not exceeding ₹5,000 million (or such reduced amount in accordance with the G1 SHA), to be utilized by G1 SPV for the purpose of partial repayment of certain external

Term	Description
	debt availed by G1 SPV or for such other purposes as will be set forth under the debenture subscription agreement, in the form and format substantially similar to the terms of subscription under the G1 Debenture Subscription Agreement
G1 Income Support Agreement	Agreement between MIOP and G1 SPV dated May 18, 2023 for provision of Income Support by MIOP to G1 SPV
G1 Interim SHA	Shareholders' agreement proposed to be entered into between Brookfield REIT, BSREP IOH II and G1 SPV in accordance with the terms of the shareholders' agreement
G1 Issuance Securities	G1 issuance securities means a total of: (a) one Equity Share; and (b) two CCDs of G1 SPV, proposed to be issued to Brookfield REIT on the Completion Date (as defined in the G1 REIT SSPA)
G1 Property Management Agreement	Property management agreement between MIOP and G1 SPV for provision of property management services by MIOP to G1 SPV dated May 18, 2023
G1 REIT SSPA	Securities subscription and purchase agreement between Brookfield REIT (acting through the Manager), the BSREP IOH II and G1 SPV dated May 18, 2023
G1 Sale Securities	G1 sale securities means a total of: (a) 5,031 Equity Shares; and (b) 4,559 CCDs (as set out in Part F of Schedule I of the G1 REIT SSPA)
G1 Securities	The term 'securities' as defined under the G1 SHA.
G1 Securities Purchase Agreements	Collectively, the G1 REIT SSPA and the Reco Cerium SPA
G1 Sellers	BSREP IOH II and BSREP IOH
G1 SHA	The shareholders' agreement dated May 18, 2023 executed between Brookfield REIT, Reco Cerium and G1 SPV and includes any amendments, addendums or supplemental agreements or documents as may be entered into by each of the parties in writing
G1 SPV	Candor Gurgaon One Realty Projects Private Limited
Holdco/ Holding Company	Holding company or holdco as defined under Regulation 2(1)(qa) of the REIT Regulations
Income Support	Monetary support to be provided by MIOP to G1 SPV with respect to eligible areas in accordance with the provisions of the G1 Income Support Agreement
Initial Contribution	The amount which was irrevocably transferred to the Trustee, on or before the execution of the Trust Deed ( <i>i.e.</i> July 15, 2020), being an amount of ₹0.010 million towards the initial corpus of the Brookfield REIT in equal proportion, with an intention to settle and establish the Brookfield REIT
Investment Management Agreement	The investment management agreement dated July 17, 2020 executed between the Brookfield REIT (acting through the Trustee) and our Manager
Issue Committee	The REIT issue committee of our Board constituted to facilitate the process of the Issue
Kensington	Kensington A and Kensington B located at Powai, Mumbai 400 076, Maharashtra, India
Manager	Brookprop Management Services Private Limited
Mars	Mars Hotels and Resorts Private Limited
MIOP	Mountainstar India Office Parks Private Limited, part of the Brookfield Group
MIOP Acquisition	The proposed acquisition of MIOP by Brookfield REIT in accordance with the MIOP Option Agreement
MIOP Option Agreement	The option agreement dated May 18, 2023 entered into between MIOP, Brookfield REIT (acting through its Manager), the Manager and the MIOP Shareholders
MIOP Shareholders	BSREP IOH, BSREP IOH II and BSREP IOH IV
NCDs	Non-convertible debentures
Operational Services	Services including property management, facilities management and support services provided by CIOP to each of the Candor Asset SPVs in terms of the Candor Amended and Restated Transition, Operations and Maintenance Agreements and the Transition, Operations and Maintenance Agreement
Parthos	Parthos Properties Private Limited
Parties to the Brookfield REIT	Our Sponsor Group, Manager and Trustee
Portfolio	Candor Assets and Kensington
Portfolio Companies	Together, our Asset SPVs and CIOP
Portfolio Investment	The investment held by the Brookfield REIT in CIOP, aggregating to 100% of the issued and paid-up equity share capital of CIOP
Project Cotton	Project Cotton Holdings One (DIFC) Limited
Project Diamond	Project Diamond Holdings (DIFC) Limited
Project Diamond FPI	Project Diamond FPI Holdings (DIFC) Limited
Property Manager	Brookprop Property Management Services Private Limited
Real Estate Assets	Properties held by a REIT, on a freehold or leasehold basis, whether directly or through a Holdco and/ or a special purpose vehicle

Term	Description
Reco Cerium	Reco Cerium Private Limited, an affiliate of GIC
Reco Cerium SPA	Securities purchase agreement between Reco Cerium, Reco Iris, BSREP IOH II and G1 SPV dated May 18, 2023
Reco Europium	Reco Europium Private Limited, an affiliate of GIC
Reco Europium SPA	Securities purchase agreement between Reco Europium, Reco Iris, Project Diamond and Downtown Powai SPV dated May 18, 2023
Reco Iris	Reco Iris Private Limited, an affiliate of GIC
REIT Distribution	Declaration and distribution of at least 90% of the NDCF of the Brookfield REIT as distributions to our Unitholders, in accordance with the REIT Regulations and the Distribution Policy
REIT Management Fees/ Investment Management Fees	Fees payable to our Manager by the Brookfield REIT in consideration for services rendered by our Manager pursuant to the Investment Management Agreement
ROFO Agreements	Right of first offer agreements each dated December 1, 2020 entered into by the Brookfield REIT (acting through the Trustee) and our Manager with each of Vrihis, Mars, Equinox Business Parks Private Limited and their respective shareholders and debenture holders, read with the assignment agreements dated July 18, 2023 entered into by the Brookfield REIT (acting through the Trustee) and our Manager with each of Striton, Aerobode, Parthos and Downtown Powai SPV and their respective shareholders and debenture holders
ROFO Companies	Equinox Business Parks Private Limited, Striton, Aerobode, Parthos and Downtown Powai SPV
SDPL Noida	Seaview Developers Private Limited
Sellers	Together, the Downtown Powai Sellers and G1 Sellers
Shareholder Debt	Debt to be provided by the Brookfield REIT to certain/ all of our Asset SPVs for the partial or full repayment or pre-payment of the existing indebtedness of the respective Asset SPVs and for general purposes
Special Purpose Condensed Combined and Carve-out Financial Statements of Downtown Powai SPV	The special purpose condensed combined and carve-out financial statements of Downtown Powai SPV which comprise the special purpose condensed combined and carve-out balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, the special purpose condensed combined and carve-out statement of profit and loss, the special purpose condensed combined and carve-out statement of changes in net parent investment and special purpose condensed combined and carve-out statement of cash flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 along with a summary of significant accounting policies and other explanatory information
Special Purpose Condensed Combined Financial Statements	The special purpose condensed combined financial statements of the Brookfield REIT, which comprise the special purpose condensed combined balance sheet as at March 31, 2021, the special purpose condensed combined statement of profit and loss (including other comprehensive income), the special purpose condensed combined statement of cash flows and the special purpose condensed combined statement of changes in equity for the Financial Year ended March 31, 2021, including a summary of significant accounting policies and selected explanatory information. Such financial statements have been prepared in accordance with the basis of preparation described in Note 2.1 to the special purpose condensed combined financial statements
Sponsor Group	Sponsor group as defined under Regulation 2(1)(zta) of the REIT Regulations. For a list of the entities forming part of our Sponsor Group, see “ <i>Background of the Brookfield REIT – Parties to the Brookfield REIT - Our Sponsor Group</i> ” beginning on page 84
SPPL Noida	Shantiniketan Properties Private Limited
SDPL Noida Income Support Agreement	Agreement between MIOP and SDPL Noida dated December 17, 2021 for provision of Income Support by MIOP to SDPL Noida
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board
Striton	Striton Properties Private Limited
Target Assets	Real estate assets proposed to be acquired by Brookfield REIT being (a) Downtown Powai (owned by Downtown Powai SPV); and (b) Candor Techspace G1 (owned by G1 SPV) in accordance with the terms of the G1 REIT SSPA and Downtown Powai REIT SPA, respectively
Target SPVs	Downtown Powai SPV and G1 SPV
Trade-Mark Sublicense Agreement	Agreement dated September 26, 2020 read with the deed of adherence dated June 21, 2022 entered into between the Brookfield REIT, our Manager, Portfolio Companies and Brookfield Asset Management Holdings SRL
Transition, Operations and Maintenance Agreement	Agreement dated February 11, 2022 entered into between CIOP and SDPL Noida



Term	Description
Trust Deed	The trust deed dated July 17, 2020 entered into between our Manager (solely as the settlor, on behalf of our Sponsor), our Sponsor and the Trustee
Trust Fund	The aggregate of the Initial Contribution, Capital Contributions and any additions, accretions (including accretions arising as result of revaluation/ fair valuation of the assets of the Brookfield REIT or investments) or reductions to the Brookfield REIT and shall include securities, investments (including the investments) and properties of any kind whatsoever (including the Real Estate Assets) to which the same may be converted or varied from time to time, and any unutilised portion of any reserves/ surplus in the income and expenditure account
Trustee	Axis Trustee Services Limited
Unaudited Condensed Combined Pro forma Financial Information	Pro forma financial information of the Brookfield REIT, consisting the unaudited condensed combined pro forma balance sheet and unaudited condensed combined pro forma statement of profit and loss for the year ended March 31, 2023 and selected explanatory notes to the pro forma financial information, prepared in accordance with the basis of preparation described in the pro forma financial information
Unitholders	Any person or entity who holds Units of the Brookfield REIT
Units	An undivided beneficial interest in the Brookfield REIT, and such Units together represent the entire beneficial interest in the Brookfield REIT
Valuer	Ms. L. Anuradha, registered as a valuer with IBBI for the asset class 'Land and Building' under the provisions of the Companies (Registered Valuers and Valuation) Rules
Vrihis	Vrihis Properties Private Limited
Vrihis ROFO Agreement	Right of first offer agreement dated December 1, 2020 entered into by Brookfield REIT (acting through the Trustee) and our Manager with Vrihis and its respective shareholders and debenture holders, the assignment agreement dated September 20, 2021 executed between BSREP II India and Project Diamond, pursuant to which the right of BSREP II India has been assigned to Project Diamond and the deed of adherence executed between BSREP II India and Project Diamond dated September 20, 2021

### Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Units, in consultation with the Lead Managers, following the determination of the Issue Price, to Eligible Institutional Investors on the basis of the Application Forms submitted by them in accordance with the SEBI Institutional Placement Guidelines
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment of Units pursuant to the Issue
Allottees	Eligible Institutional Investors to whom Units are Allotted pursuant to the Issue
Application Amount	The price per Unit indicated in the Bid multiplied by the number of Units Bid for by Eligible Institutional Investors and payable by the Eligible Institutional Investors in the Issue on submission of the Application Form
Application Form	The form (including any revisions thereof) pursuant to which an Eligible Institutional Investor will submit a Bid in the Issue
Bid	An indication of interest by an Eligible Institutional Investor, including all revisions and modifications thereto, as provided in the Application Form, to subscribe to Units in the Issue
Bidder	An Eligible Institutional Investor who submits a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Lead Managers	BofA Securities India Limited, Morgan Stanley India Company Private Limited, Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited, Axis Capital Limited, Jefferies India Private Limited, IIFL Securities Limited, JM Financial Limited, SBI Capital Markets Limited, BOB Capital Markets Limited and ICICI Securities Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming the Allocation of Units to such successful Bidders after discovery of the Issue Price
Closing Date	The date on which Allotment of Units pursuant to the Issue is expected to be made, i.e., on or about [●], 2023
Designated Date	The date of credit of Units pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in the Issue

Term	Description
Eligible Institutional Investor	An Institutional Investor which is not excluded pursuant to paragraph 10.11.2 of the SEBI Institutional Placement Guidelines
Escrow Accounts	The bank accounts opened with the Escrow Agent, pursuant to the Escrow Agreement, into which the Application Amount shall be deposited by Eligible Institutional Investors and from which refunds, if any, shall be remitted to unsuccessful Bidders
Escrow Agent	Axis Bank Limited
Escrow Agreement	Agreement dated July 27, 2023 among the Manager, the Trustee (on behalf of the Brookfield REIT), the Lead Managers and the Escrow Agent in relation to the Issue
Floor Price	The Floor Price for the Issue calculated on the basis of paragraph 10.9 of the SEBI Institutional Placement Guidelines, being ₹ 265.79 per Unit. The Manager (on behalf of the Brookfield REIT) may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI Institutional Placement Guidelines
FPIs	FPIs as defined under the SEBI FPI Regulations
Institutional Investors	Institutional Investor means (i) a Qualified Institutional Buyer, or (ii) a family trust or intermediaries registered with SEBI, with net-worth of more than ₹5,000 million as per the last audited financial statements
Issue	Issue of up to [●] Units aggregating up to ₹[●] million
Issue Closing Date	[●], 2023 which is the date after which the Manager (or the Lead Managers on behalf of the Brookfield REIT) will stop accepting Bids
Issue Opening Date	July 27, 2023 which is the date on which the Manager (or the Lead Managers on behalf of the Brookfield REIT) will start accepting Bids
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days
Issue Price	₹[●] per Unit
Listing Agreements	The agreements entered into by the Manager (on behalf of the Brookfield REIT) and each of the Stock Exchanges in relation to the listing of the Units on such Stock Exchange
Net Proceeds	Proceeds of the Issue less the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "Use of Proceeds" beginning on page 315
Placement Agreement	Agreement dated July 27, 2023 entered into among the Manager, the Trustee (on behalf of the Brookfield REIT) and the Lead Managers
Placement Document	The placement document to be issued in accordance with the SEBI Institutional Placement Guidelines
Preliminary Placement Document	This preliminary placement document dated July 27, 2023 issued in accordance with the SEBI Institutional Placement Guidelines
Refund Intimation Letter	Letter from the Manager (on behalf of the Brookfield REIT) intimating the Bidders on the amount to be refunded, if any, to their respective bank accounts
Relevant Date	July 27, 2023, the date of the meeting of the Issue Committee of the Manager, in which the decision was made to open the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to close in Mumbai, India

#### Technical, Industry related and other terms

Term	Description
Accenture	Accenture Solutions Private Limited
Amazon	Amazon Development Centre India Private Limited
Amdocs	Amdocs Development Centre India LLP
Axtria	Axtria India Private Limited
Barclays	Barclays Global Service Centre Private Limited
BFSI	Banking, financial services and insurance industry
Capgemini	Capgemini Technology Services India Limited
Cognizant	Cognizant Technology Solutions India Private Limited
Committed Occupancy	$\frac{(\text{Occupied Area}) + (\text{Completed Area under Letters of Intent})}{\text{Completed Area}}$ in%
Completed Area	The area of a property for which occupancy certificate has been received
Current NOI Run Rate	NOI run rate for a period for leased areas in a Target Asset calculated based on the historic NOI / OLR ratio of the Target Asset for the same period
Current NOI Yield	Current NOI of a Target Asset as a percentage of the value of the operating area of the Target Asset

Term	Description
C&WI/ Independent Industry Expert	Cushman & Wakefield (India) Private Limited
Deloitte USI	Deloitte Consulting India Private Limited
Ergo	Ergo Technology & Services Pvt. Ltd.
Estimated NOI	NOI for a period for both vacant and operating areas in a Target Asset calculated based on the historic NOI / OLR ratio for the same period for the operating area in that Target Asset
Estimated NOI Yield	Estimated NOI of a Target Asset as a percentage of the value of the operating area of the Target Asset
Evalueserve	Evalueserve.com Pvt. Ltd.
Future Development Potential	The area of a property for which the master plan for development has been obtained or applied for, or which has been calculated on the basis of floor space index available as per the local regulatory norms, but where the internal development plans are yet to be finalized and the applications for requisite approvals to commence construction are yet to be made
GCCs	Global capability centres
General Mills	General Mills India Private Limited
Genpact	Genpact India Private Limited
GICs	Global in-house centres
Grade A	Grade-A means a development type whose tenant profile includes prominent multinational corporations. The development should also include adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems
Gross Contracted Rentals	Gross contracted rentals is the sum of Warm Shell Rentals from Occupied Area that is expected to be received from the tenants pursuant to the agreements entered into with them
GVA	Gross value added
IGBC	Indian Green Building Council
Industry Report	Report titled " <i>India Commercial Real Estate Overview</i> " issued on July 27, 2023 prepared by C&WI
J P Morgan	J. P. Morgan India Private Limited
Leasable Area	The total area of a property that can be occupied and commonly used, or assigned to a tenant for the purpose of determining a tenant's rental obligation
Leasing Rent	Warm Shell Rent of the asset that can be expected from new leasing to a tenant as on a particular date and does not include fit-out, car parking income and maintenance services income
Legato	Legato Health Technologies LLP
Market Value	The market value as determined in the summary valuation report dated May 16, 2023 issued by the Valuer for the valuation as at March 31, 2023
NDCF	Net distributable cash flows (non-GAAP measure)
Nomura	Nomura Services India Private Limited
Occupied Area	Completed Area for which lease agreements have been signed with tenants
Pentair	Pentair Water India Pvt Ltd
Qualcomm	Qualcomm India Private Limited
RBS	RBS Services India Private Limited
Samsung	Samsung India Electronics Private Limited
Tata Consultancy Services	Tata Consultancy Services Ltd.
TLG (Sapient)	TLG India Private Limited (through its division Publicis Sapient)
Under Construction Area	The area of a property for which the master plan for development has been obtained, internal development plans have been finalised and requisite approvals for the commencement of construction required under law have been applied for, construction has commenced and the occupancy certificate is yet to be received
WALE	Weighted average lease expiry based on area. Calculated assuming tenants exercise all their renewal options post expiry of their initial lock-in period
Warm Shell Rent	Rental income contracted from the leasing of Occupied Area and does not include fit-out and car parking income
Wipro	Wipro HR Services India Private Limited

## Abbreviations

Term	Description
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
BoA	Board of approvals established under the SEZ Act
BSE	BSE Limited
CCDs	Compulsorily convertible debentures
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections along with the relevant rules, clarifications and modifications made therein
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) along with the relevant rules made therein
Companies (Registered Valuers and Valuation) Rules	Companies (Registered Valuers and Valuation) Rules, 2017
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depositories Act	Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DIN	Director identification number
DoI	Directorate of Industries, Mumbai
EBITDA	Earnings before interest, taxes, depreciation and amortization (non-GAAP measure)
ESG	Environmental, social and governance
FAR	Floor area ratio
FBIL	Financial Benchmark India Private Limited
FDI	Foreign direct investment
FDI Policy	The consolidated FDI policy, effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal or FY	Period of 12 months period ended March 31 of that particular year, unless otherwise stated
FPI	Foreign Portfolio Investor as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
HUDA	Haryana Urban Development Authority
HUF	Hindu undivided family
IBBI	Insolvency and Bankruptcy Board of India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards referred to in the Companies Act and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, notified on February 19, 2015 by the MCA, including any amendments or modifications thereto
Indian GAAP	Previously generally accepted accounting principles in India that were notified by the MCA under the Companies (Accounting Standards) Rules, 2006, and amended pursuant to the relevant provisions of the Companies Act
Insurance Companies	Companies registered as insurance companies with the IRDAI
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information technology
ITES	Information technology enabled services
IT Park	Information Technology Park
MCA	Ministry of Corporate Affairs
MCLR	Marginal cost of funds based lending rate
MLCP	Multi level car parking
MRICS	Member of Royal Institution of Chartered Surveyors
MSMEs	Micro, Small and Medium Enterprises
NASDAQ	National Association of Securities Dealers Automated Quotations
NBFC	Non-banking financial company
NCLT	National Company Law Tribunal, Mumbai Bench
NCDs	Non- convertible debentures

Term	Description
NEFT	National electronic funds transfer
NOC	No objection certificate
Noida	New Okhla Industrial Development Area
Notified Sections	The sections of the Companies Act that have been notified by the MCA and are currently in effect
Non-Resident Indian/ Non-Resident	An individual resident outside India who is a citizen or is an 'overseas citizen of India' cardholder within the meaning of Section 7A of the Citizenship Act, 1955 and includes a Non-Resident Indian, FVCIs and FPIs
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NYSE	New York Stock Exchange
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
PAN	Permanent account number
Psf	Per square feet
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
REIT	Real estate investment trust
REIT Regulations	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
RoC	Registrar of Companies
ROFO	Right of first offer
Rs./ Rupees/ INR/ ₹	Indian rupees
Rule 144A	Rule 144A under the U.S. Securities Act
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI Guidelines	Circular dated December 26, 2016 on Disclosure of Financial Information in Offer Document for REITs issued by SEBI, circular dated December 29, 2016 on Continuous Disclosures and Compliances by REITs issued by SEBI, SEBI Institutional Placement Guidelines and any other circulars, guidelines and clarifications issued by SEBI under the REIT Regulations, from time to time
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Institutional Placement Guidelines	<u>Guidelines in relation to institutional placements by listed REITs in the Master Circular for REITs dated July 6, 2023 issued by the SEBI</u>
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEC	United States Securities and Exchange Commission
SEZ	Special Economic Zone
SEZ Act	Special Economic Zones Act, 2005
SEZ Rules	Special Economic Zone Rules, 2006
SPV(s)	Special purpose vehicle(s)
Stock Exchanges	Collectively, BSE and NSE
TDS	Tax deducted at source
TSX	The Toronto Stock Exchange
USD/ US\$	United States Dollar
U.S. Securities Exchange Act	U.S. Securities Exchange Act of 1934
U.S. Securities Act	U.S. Securities Act of 1933

## PRESENTATION OF FINANCIAL DATA AND OTHER INFORMATION

### *Certain Conventions*

All references in this Preliminary Placement Document to “India” are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India or the relevant state government, as applicable.

All references herein to (i) “USA”, “U.S.”, “United States” and “US” are to the United States of America; and (ii) “Singapore” is to the Republic of Singapore.

Unless the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investors’ and ‘potential investor’ are to the Eligible Institutional Investors who are prospective investors in the Issue and references to ‘we’, ‘our’ or ‘us’ are to the Brookfield REIT and the Portfolio Companies, collectively.

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

### *Financial Data*

The financial year for the Brookfield REIT, Portfolio Companies, Target SPVs and our Manager commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and the financial year for our Sponsor commences on January 1 and ends on December 31 of the same calendar year. Accordingly, all references to a particular financial year (unless stated otherwise or with respect to our Sponsor) are to the 12-months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless stated otherwise or unless the context requires otherwise, the financial information included in this Preliminary Placement Document in relation to the Brookfield REIT has been derived from (i) the Special Purpose Condensed Combined Financial Statements as of and for Fiscal 2021; and (ii) the Consolidated Financial Statements as of and for Fiscals 2022 and 2023. See “*Financial Information of the Brookfield REIT*” in Annexure B. This Preliminary Placement Document also includes the audited consolidated financial statements of the Brookfield REIT for Fiscal 2021, prepared on the basis of consolidation of Portfolio Companies from February 8, 2021 (“**Fiscal 2021 Consolidated Financial Statements**”), in Annexure B.

This Preliminary Placement Document also includes Unaudited Condensed Combined Pro forma Financial Information of the Brookfield REIT to reflect the Acquisition Transactions. See “*Annexure A - Unaudited Condensed Combined Pro forma Financial Information*” beginning on page A-1. Also see “*Risk Factors – The pro forma financial and other information included in this Preliminary Placement Document is prepared for illustrative purposes only. Our actual results may be materially different from the actual outcome of the event or transaction as presented in the pro forma financial and other information*” beginning on page 44.

The Net Proceeds are proposed to be utilized for, *inter-alia*, the payment of consideration for the Acquisition Transactions. For details, see “*Use of Proceeds*” and “*The Acquisition Transactions*” on pages 315 and 204, respectively. This Preliminary Placement Document includes (i) Special Purpose Condensed Combined and Carve-out Financial Statements of Downtown Powai SPV; and (ii) Audited Financial Statements of G1 SPV, each as of and for Fiscals 2023, 2022 and 2021. See “*Financial Information of the Target SPVs*” in Annexure C.

This Preliminary Placement Document also includes summary financial statements of our Sponsor, as of and for the three years ended December 31, 2022, 2021 and 2020, derived from the standalone audited financial statements of our Sponsor, prepared in accordance with the applicable accounting standards and the IFRS. For details, see “*Summary Financial Information*” beginning on page 247.

The summary financial statements of our Manager for the Financial Year ended March 31, 2023, 2022 and 2021, derived from the standalone audited financial statements of our Manager, prepared in accordance with Ind AS and the Companies Act, have been disclosed in this Preliminary Placement Document. For details, see “*Summary Financial Information*” beginning on page 247.

The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies

and practices, Companies Act, Indian GAAP, Ind AS, IFRS, the REIT Regulations and the SEBI Guidelines. Any reliance by prospective investors not familiar with the accounting policies and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

In this Preliminary Placement Document, any discrepancies in any tabular representation between the total and the sums of the amounts stated are due to applicable rounding off.

### ***Certain Non-Ind AS Financial Metrics***

Our Manager believes that the presentation of certain non-Ind AS measures provides useful information to prospective investors regarding the performance and trends related to our results of operations and accordingly, our Manager believes that when non-Ind AS financial information is viewed with Ind AS financial information, prospective investors are provided with a more meaningful understanding of our ongoing operating performance and financial results. However, these financial measures are not measures determined based on Ind AS, IFRS or any other internationally accepted accounting principles, and prospective investors should not consider such items as an alternative to the historical financial results or other indicators of our cash flow based on Ind AS. The non-Ind AS financial measures included herein, may not be directly comparable with metrics bearing similar names as presented by other entities due to differences in the way such non-Ind AS financial measures are calculated. For additional information, see “*Management’s Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations – Non Ind AS Measures*” beginning on page 289.

### ***Net Operating Income (“NOI”)***

Our Manager calculates NOI as revenue from operations (which includes (i) income from operating lease rentals; (ii) income from maintenance services; (iii) property management fees; and (iv) sale of food and beverages) less direct operating expenses. Direct operating expenses include (i) power and fuel; (ii) facility usage charges; (iii) lease rent; (iv) employee benefit expenses (v) cost of materials consumed; and (vi) a portion of repair and maintenance, legal and professional fees, insurance, rates and taxes, property management fees (excluding property management fees paid by CIOP to the Manager) and miscellaneous expenses, which are directly incurred in relation to the commercial properties of the respective Asset SPVs.

Our Manager uses NOI internally as a performance measure and believes it provides useful information to investors regarding our financial condition and results of operations because it provides a direct measure of the operating results of our business. We therefore consider NOI to be a meaningful supplemental financial measure of our performance when considered with the Consolidated Financial Statements and the Special Purpose Condensed Combined 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 IFRS, and may not be comparable with measures with similar names presented by other companies/REITs. NOI should not be considered by itself or as a substitute for comparable measures under Ind AS or IFRS 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/REITs. For a detailed calculation, see “*Management’s Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations – Non Ind AS Measures*” beginning on page 289.

### ***Earnings before interest costs, taxes, depreciation and amortization (“EBITDA”)***

EBITDA is a supplemental measure of performance that is not required by, nor presented in accordance with, Ind AS or IFRS. EBITDA is not a measurement of financial performance or liquidity under Ind AS, IFRS or any other internationally accepted accounting principles, and should not be considered as an alternative to profit or any other performance measures derived in accordance with Ind AS, nor as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term, hence, a direct comparison between companies/REITs using this term may not be possible. EBITDA is presented because our Manager believes that it is frequently used by securities analysts, investors and other interested parties in evaluating companies/REITs. For details, see “*Management’s Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations – Non Ind AS Measures*” beginning on page 289.

### ***Currency and Units of Presentation***

In this Preliminary Placement Document, all references to (i) “Rupees” or “₹” or “Rs.” or “INR” are to Indian Rupees, the official currency of India; (ii) “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States

Dollars, the official currency of the United States; and (iii) “SGD” or “S\$” are to the Singapore Dollar, the official currency of Singapore.

Except otherwise specified, this Preliminary Placement Document includes certain numerical information in “million” or “billion” units. Wherein, one million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Preliminary Placement Document expressed in such denominations as provided in such respective sources.

Areas have been represented in square feet and acres, where one acre is equal to 43,560 square feet.

References to “sq. ft.” or “sf” is to “square foot”, references to “psf” is to per square foot and references to “msf” are to million square feet.

### ***Industry and Market Data***

Unless stated otherwise, industry and market data used in this Preliminary Placement Document is a summary of and has been obtained or derived from report titled “*India Commercial Real Estate Overview*” issued on July 27, 2023 as prepared by the Independent Industry Expert (the “**Industry Report**”).

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified for the purposes of this Preliminary Placement Document. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those set out within “*Risk Factors – This Preliminary Placement Document contains information from the industry report which have been commissioned by our Manager from C&W in relation to the Issue. Our Manager cannot assure you that the statistical, financial and other industry information in the industry report is either complete or accurate.*” beginning on page 60. Our Manager believes that the industry and market data used in this Preliminary Placement Document is reasonably reliable. Accordingly, no investment decisions should be solely based on such information or data included herein.

Considering that there are no standard methodologies for compiling data with respect to the industry in which the Brookfield REIT operates, the methodologies and assumptions adopted may widely vary among different industry sources and accordingly, the extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

### ***Valuation data***

Valuation report dated May 16, 2023 issued by Ms. Anuradha. L., independent valuer of the Brookfield REIT with the independent property consultant report dated May 16, 2023 reviewing the assumptions, approach and methodologies used for valuation undertaken by Ms. Anuradha. L. issued by the Independent Industry Expert and valuation reports dated May 16 and May 17, 2023 issued by ANVI Technical Advisors Private Limited, a valuer as defined under the REIT Regulations, including a review of the assumptions and methodologies used for the valuation by ANVI Technical Advisors Private Limited in this report, by Colliers International (India) Property Services Pvt. Ltd., received in connection with the Target Assets, are annexed herewith in Annexure D.

In relation to the valuation of the Asset SPVs of the Brookfield REIT, the summary valuation report dated May 16, 2023 issued by the Valuer for the valuation as at March 31, 2023, is available on the website of the Brookfield REIT at [https://www.brookfieldindiareit.in/files//valuation-report/Summary\\_Valuation\\_Report\\_Q4\\_FY\\_2023.pdf](https://www.brookfieldindiareit.in/files//valuation-report/Summary_Valuation_Report_Q4_FY_2023.pdf).

The valuation of our Asset SPVs has been carried out in accordance with the provisions of the REIT Regulations, including Regulation 21 and Schedule V of the REIT Regulations. To arrive at a market valuation of our Asset SPVs, given the prevalent market conditions, the Valuer has carried out an impartial and detailed assessment in relation to our Asset SPVs on the basis of its independent professional judgment and has relied on the macro market related information provided by the Independent Industry Expert.

Our Manager believes that the industry and market data used by the Valuer and the Independent Industry Expert for the valuation is reasonably reliable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those set out within “*Risk Factors - The valuation reports*



obtained for the Expanded Portfolio are based on various assumptions and may not be indicative of the true value of the asset.” beginning on page 46. Accordingly, no investment decisions should be solely based on such information or data included herein.

The extent to which the valuation assumptions used by the Valuer in the valuation report are meaningful, depends on the reader’s familiarity with and understanding of the methodologies used in undertaking such valuations.

**Exchange Rates**

This Preliminary Placement Document contains conversion of certain currency amounts into Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Rupees, at any particular rate. The exchange rates of certain currencies used in this Preliminary Placement Document into Rupees are set forth for the dates indicated:

Currency	Exchange rate as on March 31, 2023	Exchange rate as on March 31, 2022	Exchange rate as on March 31, 2021
1 USD	82.22	75.81	73.50

Source: FBIL Reference Rate ([www.fbil.org.in](http://www.fbil.org.in)) for USD

**Websites**

The information contained on the website of the Brookfield REIT, our Manager and our Sponsor, the websites of the Trustee, the Lead Managers or other websites referenced in this Preliminary Placement Document or that can be accessed through these websites or such other websites, neither constitutes part of this Preliminary Placement Document, nor is it incorporated by reference therein and should not form the basis of any investment decision. For details of the websites of the Brookfield REIT, our Manager, the Trustee, our Sponsor and the Lead Managers, see “General Information” beginning on page 363.

## FORWARD-LOOKING STATEMENTS

This Preliminary Placement Document contains certain “forward-looking statements”. Bidders can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “seek to”, “shall”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Brookfield REIT are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

Actual results may differ materially from those suggested by the forward-looking statements or financial projections due to certain known or unknown risks or uncertainties associated with the Manager’s expectations with respect to, but not limited to, the actual growth in the real estate sector, the Manager’s ability to successfully implement the strategy, growth and expansion plans, technological changes, cash flow projections, the outcome of any legal or regulatory proceedings and the future impact of new accounting standards, regulatory changes pertaining to the real estate sector in India and our ability to respond to them, and general economic and political conditions in India which have an impact on our business activities or investments, changes in competition and the Manager’s ability to operate and maintain the Portfolio. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of the Brookfield REIT to differ materially include, but are not limited to, those discussed in “*Risk Factors*”, “*Industry Overview*”, “*Our Business and Properties*” and “*Management’s Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations*” beginning on pages 37, 95, 148 and 269, respectively. Some of the factors that could cause the actual results, performance or achievements of the Brookfield REIT to differ materially from those in the forward-looking statements and financial information include:

1. The ability of our Manager to acquire or dispose of assets or explore new investment opportunities is subject to conditions provided in the REIT Regulations;
2. We have incurred a significant amount of debt in the operation of our business, and our cash flows and results of operations could be adversely affected by required repayments or related interest and other risks assumed in connection with procuring debt financing. Our inability to service debt may adversely affect distributions to Unitholders;
3. Our business and profitability are dependent on the performance of the commercial real estate market in India. Fluctuations in the general economic, market and other conditions may affect the commercial real estate market in India and in turn, our ability to lease office parks to tenants on favorable terms;
4. A significant portion of our revenue is derived from a limited number of tenants and sectors, and any adverse developments affecting such tenants or sectors may have an adverse effect on our business, results of operations and financial condition;
5. We are in the process of acquiring 50% shareholding in the Target SPVs (pursuant to definitive acquisition agreements), which may not be completed in a timely manner or at all and any failure to realize the anticipated benefits of the Acquisition Transactions may adversely affect us;
6. A significant portion of our revenue is derived from leasing activities at Candor Techspace G2, Candor Techspace N2 and the NCR and any adverse development relating to Candor Techspace G2, Candor Techspace N2 or NCR may adversely affect our business, results of operations and financial condition; and
7. If we are not successful in integrating the Target SPVs, our business, and results of operations and financial condition may be adversely impacted and we may incur exceptional expenses, impairment or write-offs.

Forward-looking statements reflect current views as at the date of this Preliminary Placement Document and are not a guarantee of future performance or returns to investors. There can be no assurance that the expectations reflected in the forward-looking statements will prove to be correct. These statements are based on certain beliefs and assumptions, which in turn are based on currently available information. Although the Manager believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions

could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. The Brookfield REIT, the Manager, the Trustee, the Lead Managers or any of their affiliates/advisors do not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition, whether as a result of new information, future events or otherwise after the date of this Preliminary Placement Document.

There can be no assurance that the expectations reflected in the forward-looking statements will prove to be correct. If any of these risks and uncertainties materialize, or if any of the Manager's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Brookfield REIT could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to Brookfield REIT are expressly qualified in their entirety by reference to these cautionary statements. Given these uncertainties, Eligible Institutional Investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee or assurance of our future performance or returns to investors.

## **ENFORCEMENT OF CIVIL LIABILITIES**

The Brookfield REIT is settled and registered in India. The Trustee and the Manager are limited liability companies incorporated in India. All of our assets are located in India. The Sponsor is a company incorporated in Singapore. Where investors wish to enforce foreign judgments in India, where our assets are or will be located, it may be difficult to effect service of process upon the Trustee, the Manager or such persons in India or they may face difficulties in enforcing such judgments.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including Singapore, United Kingdom, Hong Kong and United Arab Emirates, but the U.S. has not been so declared. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 (“**Civil Procedure Code**”).

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except where: (i) the judgment has not been pronounced by a court of competent jurisdiction; (ii) the judgment has not been given on the merits of the case; (iii) it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) the proceedings in which the judgment was obtained were opposed to natural justice; (v) the judgment has been obtained by fraud, and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; such presumption may be displaced by proving want of jurisdiction.

The Civil Procedure Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. Further, a foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, judgments or decrees from jurisdictions not recognized as a reciprocating territory by India cannot be enforced or executed in India except through a fresh suit upon judgment. Even if we or a Unitholder were to obtain a judgment in such a jurisdiction, we would or the Unitholder would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. In addition, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a judgment rendered by a foreign court if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. In addition, any person seeking to enforce a foreign judgment in India may be required to obtain prior approval of the RBI to repatriate outside India any amount recovered pursuant to the execution of the judgment rendered by a foreign court, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

## SECTION II: EXECUTIVE SUMMARY

### A. Overview of the Brookfield India REIT

We are India's first institutionally managed public commercial real estate vehicle. We are sponsored by an affiliate of Brookfield Corporation, whose asset management division is one of the world's largest alternative asset managers with over US\$825 billion in assets under management, as of March 31, 2023. Our goal is to be the leading owner of high-quality income-producing commercial real estate assets in key gateway Indian markets, which have significant barriers to entry.

Our Current Portfolio comprises five large campus-format office parks, which we believe are "business-critical" to our occupiers and are located in some of India's key gateway markets – Mumbai, Gurugram, Noida and Kolkata. As of March 31, 2023, our Current Portfolio totals 18.7 msf, comprising 14.3 msf of Completed Area, 0.6 msf of Under Construction Area and 3.9 msf of Future Development Potential.

Our Current Portfolio's Completed Area has an Effective Economic Occupancy of 88.9% (and a Committed Occupancy of 84.2%) as of March 31, 2023 and is leased to marquee multi-national corporations such as Accenture, Cognizant, Samsung and RBS. While a 7.9 year WALE provides stability to the cash flows of our Current Portfolio, we are well positioned to achieve further organic growth through a combination of contractual lease escalations, 20.7% mark-to-market headroom of in-place rents and lease-up of vacant areas. Our Current Portfolio is significantly complete and stable with Completed Areas constituting 93.8% of its GAV as of March 31, 2023.

We are committed to industry-leading sustainable development to deliver long term value to our stakeholders and to the communities we operate in. Some of our recent ESG initiatives include the execution of a power purchase agreement for Candor Techspace N1 and Candor Techspace N2 to procure 60% of the energy requirements through green energy by using the IEX platform, and installation of automatic tube cleaning systems in chillers at Candor Techspace G2 and Candor Techspace N2 to reduce condenser fouling and create energy savings. Our Manager also launched the Brookfield Properties Women's Network which is a forum dedicated to supporting the professional and leadership development of women. Further, we are actively tracking our emissions and are closely working with relevant stakeholders and aim to achieve a net zero carbon footprint by 2040. We have also been recognized for our ESG efforts with accolades including a five star rating awarded by GRESB in 2022, ISO 9001, ISO 14001 and ISO 45001 ratings for our Current Portfolio, and ISO 50001, platinum rating by Indian Green Building Council, Sword of Honour for Safety by British Safety Council and 5S gold rating by the Confederation of Indian Industry for some of our properties. We adopt strong corporate governance practices, and half of the Board of the Manager comprises independent directors. Additionally, we maintain protocols that are aimed at protecting the interests of Unitholders, including, a conservative leverage profile, simple and low fee structure and stringent oversight on related party transactions.

The primary objective of our strategy is to provide attractive risk-adjusted total returns to our Unitholders derived from:

- stable yield supported by our Current Portfolio's long-term contracted cash flows;
- property level income growth that is embedded in our Current Portfolio through contractual lease escalations, mark-to-market headroom of in-place rents and lease-up of vacant areas;
- opportunistic acquisitions; and
- asset value appreciation, through continuous investment in the properties to upgrade them.

On May 18, 2023, we entered into agreements for the acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, which owns and operates Downtown Powai comprising nine buildings, all located in Hiranandani Gardens, Powai, together with land adjoining the buildings, along with amenities and right to access roads on a non-exclusive basis, set up over a total area of 20.0 acres. We have also entered into agreements and for the acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV, which owns and operates the Candor Techspace G1, set up over a total of 25.2 acres in Sector 48, Gurugram, Haryana. For details, please refer to "*The Acquisition Transactions*" on page 204.

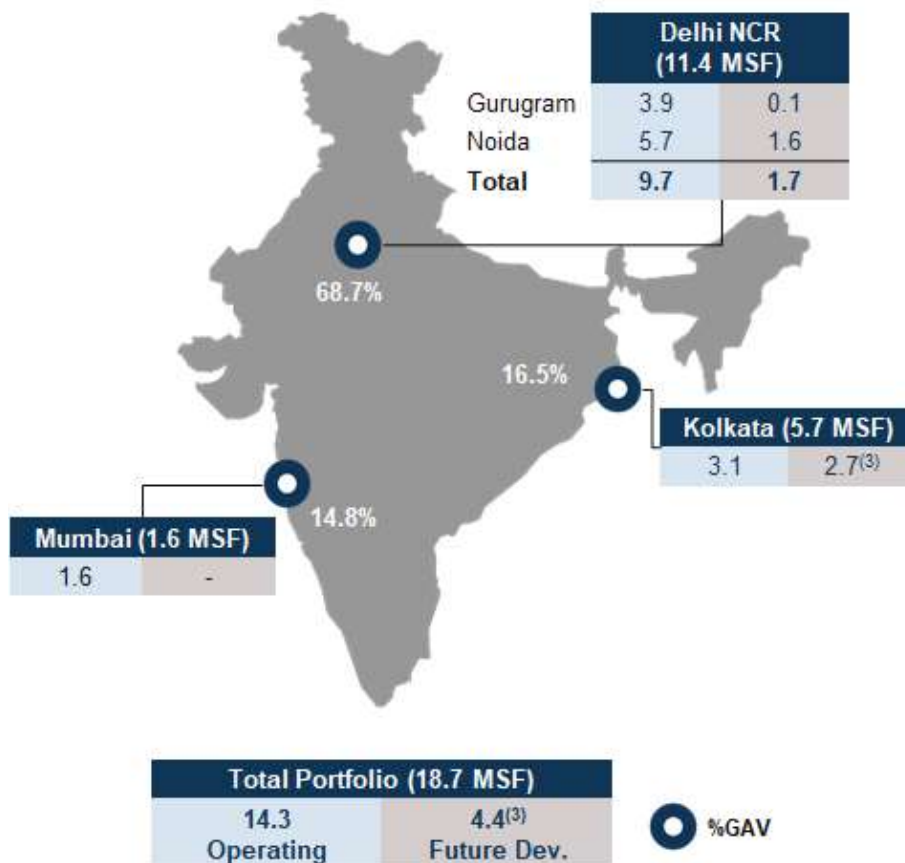
### Key Highlights for the Financial Year 2023

Our key business highlights for the Financial Year 2023 are set forth below:

- Achieved gross leasing of 2.1 msf, including 0.9 msf of new leasing and 1.3 msf of renewals.
- Robust embedded growth with 10.6% average escalation on 4.1 msf of leased area;
- 27.7% increase in income from Operating Lease Rentals (compared to the Financial Year 2022) to ₹8,268 million;
- 38.1% growth in Adjusted Net Operating Income (compared to the Financial Year 2022) to ₹9,608 million;
- Distributions of ₹20.20 per unit, totalling ₹6,769 million;

### Our Current Portfolio

Our Current Portfolio is geographically diversified across the key gateway markets of Mumbai, Gurugram, Noida and Kolkata. Our properties are strategically located in established micro-markets with easy access to mass transportation, high barriers to entry for new supply, limited vacancy, and robust historical rental growth rates.



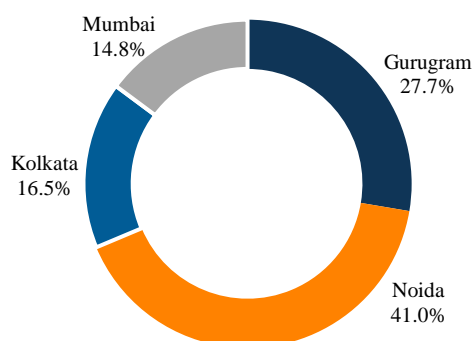
Asset	Area (in msf)		Total	Area in msf	Leased Area Metrics			Valuation Metrics		
	Completed	Under Construction and Future Development Potential			Number of Office Tenants	Committed / Economic Occupancy %	WALE (in years)	In-place Rent (in ₹ psf)	GAV <sup>(2)</sup> (₹ in billions)	Operating GAV %
Kensington	1.6	-	1.6	1.4	7	86.9%	11.5	104	24	100.0%
Candor Techspace G2	3.9	0.1	4.0	3.3	15	84.5%	7.7	83	45	98.8%
Candor Techspace N1	2.0	0.9	2.8	1.9	28	96.2%	7.3	49	24	87.7%

Asset	Area (in msf)		Leased Area Metrics					Valuation Metrics		
	Completed	Under Construction and Future Development Potential	Total	Area in msf	Number of Office Tenants	Committed / Economic Occupancy %	WALE (in years)	In-place Rent (in ₹ psf)	GAV <sup>(2)</sup> (₹ in billions)	Operating GAV %
Candor Techspace N2	3.8	0.8	4.5	2.9	22	77.0%	7.4	56	43	94.4%
Candor Techspace K1	3.1	2.7 <sup>(3)</sup>	5.7	2.6	13	83.5%	7.1	43	27	84.3%
<b>Total</b>	<b>14.3</b>	<b>4.4</b>	<b>18.7</b>	<b>12.0</b>	<b>75<sup>(1)</sup></b>	<b>84.2% / 88.9%</b>	<b>7.9</b>	<b>65</b>	<b>164</b>	<b>93.8%</b>

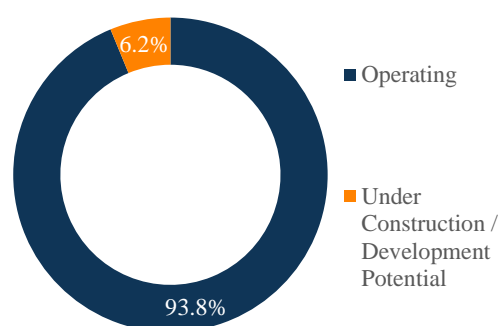
*Notes:*

- (1) Seven tenants are present across more than one office park.
- (2) As of March 31, 2023.
- (3) Includes 0.6 MSF of commercial cum retail development which is under construction, wherein Gurgaon Infospace Limited (“GIL”) shall pay Candor Techspace K1 a sum of INR 1,000 million (inclusive of GST) (out of which INR 680 million has already been received) in instalments and be entitled to receive 28% of revenue comprising rentals, CAM margins, parking and any other revenue

**Asset Value by Geography\***



**Asset Value by Status\***



\*As of March 31, 2023

**Our Competitive Strengths**

We believe that the following competitive strengths differentiate us from other public commercial real estate companies and REITs in India:

- Global sponsorship with local expertise;
- Difficult to replicate, dominant and strategically located properties;
- Placemaking capabilities;
- Diversified blue chip tenant roster and cash flow stability;
- Significant identified internal and external growth opportunities;
- Experienced, cycle-tested senior management team; and
- Institutional corporate governance framework and strong alignment of interests.

***Global Sponsorship with Local Expertise***

We are sponsored by an affiliate of Brookfield Corporation, whose asset management business is one of the world’s largest alternative asset managers, with approximately US\$825 billion in assets under management as of March 31, 2023 across real estate, infrastructure, renewable power, private equity and credit, and a global presence with approximately 195,000 operating employees across more than 30 countries, as of May 31, 2023. Brookfield Corporation is listed on the New York Stock Exchange and Toronto Stock Exchange and has a market capitalization of approximately US\$50 billion, as of March 31, 2023.

As of March 31, 2023, Brookfield Corporation has over US\$270 billion of real estate assets under management, and over 500 msf across multiple real estate asset classes, with strong real estate capabilities in leasing, financing, development, design, construction and property management. We also benefit significantly from Brookfield's rich experience in managing listed vehicles globally. Our Manager, which is an affiliate of Brookfield, has a management team with extensive industry experience that helps us manage our office parks in India. We believe this provides us an informational advantage in our sector, with direct insights to help inform our views on leasing, operations and fundamental economic trends. We also believe our long-term success in executing our strategy is supported by Brookfield's extensive local market and asset knowledge in India. Brookfield has had a decade-long presence in India and manages a portfolio of approximately US\$22 billion across real estate (US\$7 billion), infrastructure (US\$12 billion), renewable power (US\$1 billion) and private equity (US\$2 billion), as of March 31, 2023 in India. This portfolio in India provides valuable real-time, proprietary market data that we expect will enable us to identify and act on market conditions and trends more rapidly than our competitors.

Our Unitholders will benefit from our ability to leverage Brookfield's extensive network of relationships, its deep capital markets experience, operating expertise, a demonstrated track record of managing capital and its commitment of resources to our Manager. We also benefit from access to Brookfield's risk management, accounting, cash management and compliance policies. The alignment is further enhanced by Brookfield's substantial equity ownership in the Brookfield REIT.

### ***Difficult to Replicate, Dominant and Strategically Located Properties***

We believe that our office parks are among the highest quality office parks in India, distinguished by their size and scale and located in the key gateway markets of Mumbai, Gurugram, Noida and Kolkata. Our office parks are modern and recently built, with a median age of approximately nine years<sup>1</sup> for our Current Portfolio and require limited ongoing capital expenditure. Our properties are strategically located in established micro-markets with easy access to mass transportation, high barriers to entry for new supply, limited vacancy and robust historical rental growth rates. Many of our office parks command premium rents and have higher occupancies than the average rents and occupancies of the broader markets they are located within. Our size and scale in key markets of India provide us with extensive market information and enhance our ability to respond to market opportunities.

We believe that our office parks are very difficult to replace today on a cost-competitive basis, if at all. Institutionally owned and managed, all of our office parks are among the largest in their respective micro-markets and are distinguished by their scale and infrastructure. For example, spread across approximately 28.5 acres and with 4.0 msf of area (including Future Development Potential), Candor Techspace G2 is one of the largest office SEZs in Gurugram in terms of leasable area, with excellent road connectivity. Similarly, Candor Techspace K1, which is spread across 48.4 acres and with 5.7 msf of Leasable Area (including Future Development Potential), is eastern India's largest campus style office park with outperformance in rental growth as compared to the average rental growth in its micro-market.

### ***Placemaking Capabilities***

Placemaking is ingrained in our Manager and Sponsor's design, development and operating philosophy, enabling us to provide our tenants with a unique "service-based experience". The size and scale of our fully-integrated office parks allows us to deliver an all-encompassing workspace ecosystem to our tenants with modern infrastructure and amenities, including daycare facilities, premium F&B outlets, convenience shopping kiosks, shuttle services, multi-cuisine food courts and sports and fitness facilities, which further create an empowering and vibrant work environment for our tenants' employees and allow our properties to have a positive impact on our communities. As a result of our offerings, several tenants have relocated from other commercial properties to our office parks.

For example,

- a leading multinational consulting company, which had a small presence at Candor Techspace G2, consolidated its presence at our office park;
- a leading financial services company significantly increased the area it occupied at Candor Techspace N1; and
- a leading global hardware company relocated to Candor Techspace N2 amidst the COVID-19 pandemic.

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<sup>1</sup> As of March 31, 2023



Our properties are built for institutional tenants who have contemporary workspace requirements. This drives tenant retention as relocation by our tenants may result in high switching costs for them and their employees. Further, our campus-format large integrated parks provide a unique value proposition to our blue chip tenants who have specific needs to house multiple functions and teams out of a single office premises.

#### ***Diversified Blue Chip Tenant Roster and Cash Flow Stability***

We believe that our office parks are “business-critical” to our tenants and their employees. In addition to our diversified base of marquee tenants, our Current Portfolio has a stable, long-term tenancy profile with staggered expirations and a WALE of 7.9 years, providing significant cash flow stability to our business. In our Current Portfolio, 78.0% of Gross Contracted Rentals are contracted with multi-national corporations such as RBS, Accenture and Cognizant. Our tenants operate in a diverse range of industries such as technology, financial services, consulting, analytics and healthcare. As of March 31, 2023, 78.5% of our leased area has been leased to multinational tenants, 40.2% of the leased area has been leased to Fortune 500 tenants and 46.7% tenants operate Global Capability Centres and/or research and development labs.

Through its own dedicated property managers and local expertise, our Manager has developed deep tenant relationships which combined with Brookfield’s global institutional relationships, has led to 7.9 msf (including Candor Techspace N2 for the entire period) of new leasing and a 77.6% tenant retention rate from April 1, 2015 to March 31, 2023.<sup>2</sup> Further, we provide services including property management, facilities management and support services to our Current Portfolio, either internally or through CIOP, our wholly owned subsidiary.

#### ***Significant Internal Growth Opportunities***

We believe that the value of our real estate assets will grow as a result of organic opportunities to increase NOI from our Current Portfolio. Brookfield has extensive local market knowledge and a global network of relationships, and we believe our access to Brookfield will provide opportunities for organic growth. Further, as a result of contractual escalation provisions in almost all of our leases, mark-to-market of in-place rents as long-term leases expire, lease-up of recently completed construction and near-term “on-campus” development, we have a strong foundation for organic cash flow growth. In addition, we believe our existing tenants will also provide a source of internal growth as they look to consolidate and expand in our office parks – for example, over the last seven financial years, over 50% of newly developed Completed Area in our Current Portfolio, was leased to existing tenants.

#### ***Experienced, Cycle-Tested Senior Management Team***

Our Manager’s team has deep domain knowledge and experience in managing the properties that form a part of our Current Portfolio and has demonstrated a robust track record in delivering value. Since April 1, 2015, our Manager has leased 7.9 msf and enhanced Completed Area by 6.0 msf within the Current Portfolio.

Our Manager is highly regarded in the real estate community and has extensive relationships with a broad range of tenants, brokers and lenders. Led by Alok Aggarwal (chief executive officer of our Manager), our Manager’s team consists of 66 dedicated, experienced professionals, as of March 31, 2023. We believe that the team has in-depth experience in real estate investments, asset management, research and property management, with the key managerial personnel and core team having an average of more than 25 years of experience in the real estate industry in India. As such, our Manager has operating and investing experience through multiple real estate cycles, which we believe provides valuable insight and perspective into the portfolio management of our current office parks as well as underwriting new investments for us.

#### ***Institutional Corporate Governance Framework and Strong Alignment of Interests***

We believe our governance structure reflects a rigorous approach to corporate governance, taking into account the interests of our Unitholders while leveraging our relationship with Brookfield, which has a strong track record of high standards of governance. Brookfield Corporation is listed on the NYSE and TSX and we benefit significantly from Brookfield’s strong corporate governance standards.

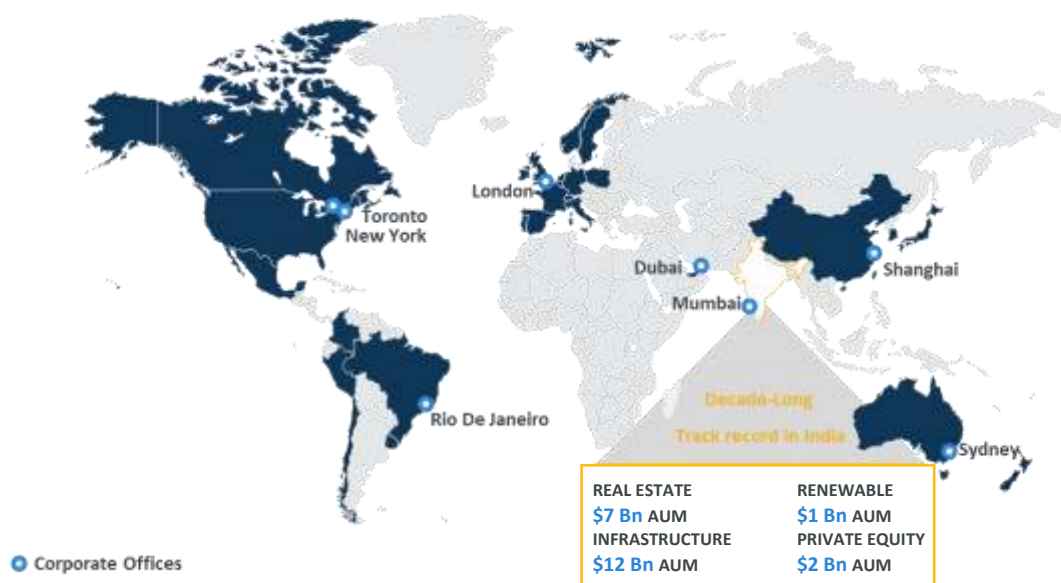
The governance structure is based on the following pillars that enable it to align and commensurately represent the interests of all our stakeholders:

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<sup>2</sup> Including Candor Techspace N2 for the entire period

- Significant level of Sponsor Group ownership in the Brookfield REIT creates an alignment with the interests of Unitholders;
- Half of our board is composed of independent directors;
- Robust related party transaction policies to facilitate arms-length evaluation of acquisition and divestment decisions, in line with global best practices and “majority of minority” approvals required;
- Commitment to ESG practices including installation of health infrastructure, focus on sustainability initiatives and activities that have a positive impact on the communities in which we operate; and
- Anti-bribery and anti-corruption policies in line with international standards.

The Brookfield Advantage: Global Investor with Local Expertise  
~\$825 Bn Total AUM | 30+ Countries | ~195,000 Employees



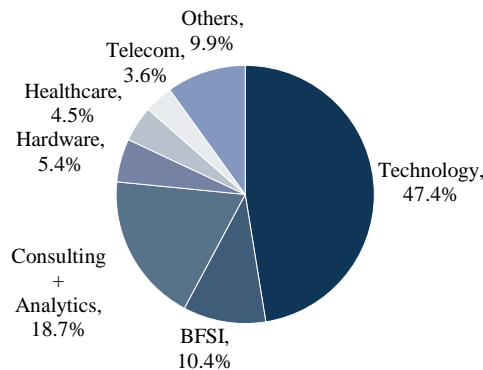
**Brookfield: One of the World's Largest Real Estate Portfolios**



**Diversified and Stable Tenancy**

**Diversified Tenant Mix**

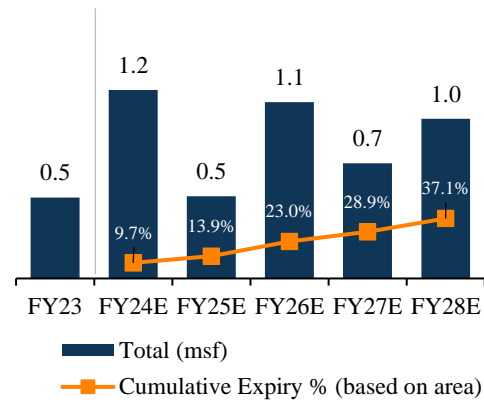
% split by area leased



**with Stable, Long Term Unexpired Lease Life**

7.9 Years  
WALE

20.7%  
MTM POTENTIAL<sup>(1)</sup>



\*As of March 31, 2023, according to the Industry Report.

**Tenant Expansion**

Our institutional real estate expertise and market leading asset management initiatives have translated into heightened tenant satisfaction. Leveraging our global tenant network, we have developed long-term relationships with multinational tenants establishing us as landlord-of-choice in our micro-markets.

Further, there was increased demand for expansion by some of our existing tenants (with 22.8% of the new leasing demand during the Financial Year 2023 being from existing tenants, as they continue to execute their return to office plans). The chart below sets forth the break-up of our gross leasing area in terms of tenants for the Financial Year 2023:



In addition to tenants expanding their footprint within our properties, we have also been successful in attracting prominent large new tenants by serving their consolidation and relocation requirements, for instance:

- The relocation of Samsung in the first quarter of the Financial Year 2022 amidst the COVID-19 pandemic highlights the demand for premium Grade A office space and the leading market position of Candor Techspace N2. Samsung has leased 377,000 sf for 10 years, with a lock-in period of six years, at approximately 40% premium to per sf rent that was being paid by them in their previous location.

- A leading Fortune 500 company, opened their first center in North India at Candor Techspace G2. This Company has leased 211,000 sf with a 15 year lease term along with an option to expand their footprint by another 291,000 sf over time.

For our strategies, please see “*Our Business and Properties – Business and Growth Strategies*”, on page 156, respectively.

On May 19, 2023, we announced that we had agreed to acquire two assets of 6.5 msf for a total enterprise value of ₹112,250 million which includes (i) 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, for an acquisition price of ₹65,000 million (subject to adjustments in relation to net debt, working capital and other adjustments as agreed between the parties); (ii) 50% of the share capital (on a fully diluted basis) of G1 SPV and MIOP, for an acquisition price of ₹47,250 million and ₹1,504 million respectively (subject to adjustments in relation to net debt, working capital and other adjustments as agreed between the parties). For details, see “ - *The Proposed Acquisition Transactions*” and “*The Acquisition transactions*” on pages 35 and 204.

## B. The Proposed Acquisition Transactions

The overview below should be read together with, the information included in other sections of this Preliminary Placement Document. Please see, in particular, the section titled “The Acquisition Transactions”.

### Overview of the Proposed Acquisition

Particulars	Details
<b>Target SPVs</b>	Downtown Powai SPV and G1 SPV
<b>Acquisition Overview</b>	<p>Acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV<sup>#</sup>, which owns and operates Downtown Powai comprising nine buildings, all located in Hiranandani Gardens, forming part of a larger township at Powai together with land forming the footprint of and appurtenant to each of the nine buildings, along with amenities and rights to access roads on a non-exclusive basis set up over a total of 20.0 acres.</p> <p>Acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV*, which owns and operates an IT/ITES SEZ called Candor Techspace IT/ITES SEZ), set up over a total of 25.20 acres in Sector 48, Gurugram, Haryana, India.</p>
<b>Consideration NCDs</b>	<p><u>Downtown Powai Acquisition:</u> Simultaneous to the occurrence of ‘Completion’ under the Reco Europium SPA, the Brookfield REIT has agreed to subscribe to 1,750,000 unlisted non-convertible debentures of Downtown Powai SPV with a face value of ₹1,000 each and having such terms and conditions as set out in the Downtown Powai Debenture Subscription Agreement, for a cash consideration of ₹1,750 million, to be utilized by Downtown Powai SPV towards payment of (a) interest/ coupon on the CCDs held by Project Diamond; and (b) principal amount, interest/ coupon and redemption amount on unlisted NCDs to be issued to Project Diamond FPI, pursuant to the implementation of the Composite Scheme.</p> <p><u>G1 Acquisition:</u> Simultaneous to the occurrence of ‘Completion’ under the Reco Cerium SPA, the Brookfield REIT has agreed to subscribe to 300,000 unlisted non-convertible debentures of G1 SPV with a face value of ₹1,000 each and having such terms and conditions as set out in the G1 Debenture Subscription Agreement, for a cash consideration of ₹300 million, to be utilized by G1 SPV towards payment of interest/ coupon on CCDs held by BSREP IOH II.</p>
<b>Debt Repayment NCDs</b>	<p><u>Downtown Powai Acquisition:</u> As set out under the Downtown Powai SHA, the Brookfield REIT proposes to subscribe to unlisted non-convertible debentures of Downtown Powai SPV for an amount not exceeding ₹1,750 million (or such reduced amount in accordance with the Downtown Powai SHA) to be utilized by Downtown Powai SPV for the purpose of partial repayment of certain external debt availed by Downtown Powai SPV or for such other purposes as will be set forth under the debenture subscription agreement, in the form and format substantially similar to the terms of subscription under the Downtown Powai Debenture Subscription Agreement. For details, see “The Acquisition Transactions – Downtown Powai Debenture Subscription Agreement” on page 211.</p> <p><u>G1 Acquisition:</u> As set out under the G1 SHA, the Brookfield REIT proposes to subscribe to unlisted non-convertible debentures of G1 SPV for an amount not exceeding ₹5,000 million (or such reduced amount in accordance with the G1 SHA) to be utilized by G1 SPV for the purpose of partial repayment of certain external debt availed by G1 SPV or for such other purposes as will be set forth under the debenture subscription agreement, in the form and format substantially similar to the terms of subscription under the G1 Debenture Subscription Agreement. For details, see “The Acquisition Transactions – G1 Debenture Subscription Agreement” on page 219.</p>
<b>Selling Parties</b>	Downtown Powai SPV - Project Diamond and Project Cotton G1 SPV - BSREP IOH II and BSREP IOH
<b>Total Leasable Area</b>	6.5 msf
<b>Operating Area</b>	6.3 msf
<b>Committed Occupancy</b>	81%
<b>Effective Economic Occupancy</b>	96%
<b>No. of Office Tenants</b>	70
<b>WALE</b>	5.4 Yrs.

Particulars	Details	
<b>In-place rent</b>	115 psf / month	
<b>Independent Valuation</b>	<b><u>Downtown Powai SPV</u></b>	<b><u>G1 SPV</u></b>
	<b>Ms. L. Anuradha<sup>3</sup></b>	
	▶ ₹ 69,015 million	▶ ₹ 49,949 million
	<b>ANVI Technical Advisors Private Limited<sup>4</sup></b>	
	▶ ₹ 68,984 million	▶ ₹ 50,378 million
<b>Acquisition Price</b>	₹ 112,250 million, a discount of 5.80% to the average of the independent valuations (₹ 119,163 million <sup>5</sup> )	

<sup>#</sup>In the event 'Completion' under the Reco Europium SPA does not occur within the 'Long Stop Date' (as set out under the Reco Europium SPA), then the Brookfield REIT (either itself or through its Holding Company, SPV or affiliate, subject to compliance with applicable law) shall have the right (but not the obligation), subject to receipt of unitholder and other consents and approvals, as may be required, to purchase the remaining 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV such that the Brookfield REIT owns 100% of the share capital (on a fully diluted basis) of the Downtown Powai SPV within the timelines mentioned in the Downtown Powai Interim SHA.

<sup>\*</sup>In the event 'Completion' under the Reco Cerium SPA does not occur within the 'Long Stop Date' (as set out under the Reco Cerium SPA), then the Brookfield REIT (either itself or through its Holding Company, SPV or affiliate, subject to compliance with applicable law) shall have the right (but not the obligation), subject to receipt of unitholder and other consents and approvals, as may be required, to purchase the remaining 50% of the share capital (on a fully diluted basis) of G1 SPV from BSREP IOH II such that the Brookfield REIT owns 100% of the share capital (on a fully diluted basis) of the G1 SPV within the timelines mentioned in the G1 Interim SHA.

<sup>3</sup> Independent valuation undertaken by Ms. L. Anuradha. Cushman & Wakefield India Private Limited has issued the independent property consultant report wherein it has reviewed the assumptions, approach and the methodologies used for the valuation undertaken by Ms. L. Anuradha.

<sup>4</sup> Independent valuation undertaken by ANVI Technical Advisors Private Limited. Colliers International (India) Property Services Pvt. Ltd. has reviewed the assumptions and the methodologies used for the said valuation in accordance with applicable standards.

<sup>5</sup> Sum of the average of the independent valuations of Downtown Powai SPV and G1 SPV.

### SECTION III: RISK FACTORS

*An investment in the Units involves a high degree of risk. Prospective investors should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in the Units. If any of the following risks actually occur, our business, results of operations and financial condition could suffer, the price of the Units could decline, and prospective investors may lose all or part of their investment. The risks and uncertainties described below are not the only risks that we face or may face or not the only ones relevant to us, the Units, or the industry in which we operate. Additional risks and uncertainties not presently known to us or our Manager or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition and as a result, the returns to the Unitholders. Unless specified or quantified in the relevant risk factors below, we and our Manager are not in a position to quantify the financial or other implications of any of the risks described in this section.*

*In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue, including the merits and risks involved. To obtain a complete understanding, this section should be read in conjunction with the sections titled “Our Business and Properties” and “Management’s Discussion and Analysis of Factors Affecting Financial Condition and Results of Operations” beginning on pages 148 and 269, respectively, as well as the financial statements and other financial information included elsewhere in this Preliminary Placement Document. Before investing in the Units, prospective investors should obtain professional advice on investing in the Issue. Any decision on whether to invest in the Units described in this Preliminary Placement Document must be made solely on the basis of this Preliminary Placement Document.*

*This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties and assumptions. The actual results could differ significantly from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in “Forward-Looking Statements” beginning on page 24.*

*References herein to the “Current Portfolio” are to the property portfolio of the Brookfield REIT prior to the Acquisition Transactions and to the “Expanded Portfolio” are to the post-Acquisition Transactions portfolio of the Brookfield REIT. We present various pro forma financial and operational information in this section to show the impact of the Acquisition Transactions. Upon successful completion of the Acquisition Transactions, we expect Downtown Powai and Candor Techspace G1 to be consolidated into our financial statements going forward. Accordingly, the pro forma and operational information included in this section takes into account the full operational and financial information of these entities. However, it should be noted that the Brookfield REIT’s share of the NDCF of Downtown Powai and Candor Techspace G1 will be 50% (consistent with the post-Acquisition shareholding of Brookfield REIT in Downtown Powai and Candor Techspace G1).*

*Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from the Consolidated Financial Statements as of and for the Financial Years 2023 and 2022, and the Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021, included in this Preliminary Placement Document beginning on page B-1. We have included various operational and financial performance indicators in this Preliminary Placement Document, some of which may not have been derived from the Consolidated Financial Statements or the Special Purpose Condensed Combined Financial Statements and may have not been subjected to an audit or review by the Auditors. The manner in which such operational and financial indicators are calculated and presented, and the assumptions and estimates used in the calculation, may vary from that used by other entities in businesses similar to ours. You should consult your own advisors and evaluate such information in the context of the Consolidated Financial Statements, Special Purpose Condensed Combined Financial Statements and other information relating to our business and operations included in this Preliminary Placement Document before making an investment decision.*

#### **Risks Related to our Organization and Structure**

- 1. The ability of our Manager to acquire or dispose of assets or explore new investment opportunities is subject to conditions provided in the REIT Regulations.***

Our business and operations are subject to various conditions prescribed under the REIT Regulations. For example, we are required to maintain a specific minimum threshold of investment in completed and rent and/or income generating properties and have prescribed limits of debt financing. Further, pursuant to the REIT Regulations, our consolidated borrowings and deferred payments (net of cash and cash equivalents) cannot exceed 49% of the value of our assets. The REIT Regulations also prescribe that not more than 20% of the value of the assets of a REIT may be invested in certain permitted forms of investments over

and above completed and rent and/or income generating properties, therefore, we may be constrained in terms of future investment in under-construction or non-rent/income generating assets on account of our investment in CIOP. Further, as our Sponsor and Manager are not Indian owned and controlled, we are also subject to other restrictions. For example, any downstream or other investments made by us are subject to conditions under the extant foreign exchange regulations for investment in real estate, both in terms of investments and divestments. Compliance with such conditions may affect the ability of our Manager to make acquisitions or investments, which may consequently affect its ability to make distributions to Unitholders. In addition, the prescribed debt financing limits and foreign exchange regulations may also affect our ability to raise additional funds. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any acceptable terms or at all.

Any non-compliance with applicable laws and regulations may have adverse consequences, including divestment of certain assets and other penalties that could prevent our Manager from acquiring further assets. Further, in extreme circumstances, such as the minimum public unitholding falling below the prescribed limits, there being no projects or assets remaining under a REIT for a period exceeding six months, or Unitholders applying for a delisting under the REIT Regulations, the Brookfield REIT may be required to be delisted.

**2. *We have incurred a significant amount of debt in the operation of our business, and our cash flows and results of operations could be adversely affected by required repayments or related interest and other risks assumed in connection with procuring debt financing. Our inability to service debt may adversely affect distributions to Unitholders.***

As of March 31, 2023, our total outstanding indebtedness was ₹54,520 million. For more information, please see “*Leverage and Capitalization*” on page 309. Assuming the completion of both Acquisition Transactions, our pro forma total borrowings (based on the Unaudited Condensed Combined Pro forma Financial Information) was ₹123,132 million, as of March 31, 2023. While borrowings availed by the REIT and additional borrowings by G1 SPV and Downtown Powai SPV, are intended to be utilized for the partial repayment/ prepayment of existing external debt availed by G1 SPV and Downtown Powai SPV, we cannot assure you that such repayment/prepayment will be successfully consummated.

We are generally subject to risks associated with debt financing. These risks include: (i) our cash flow may not be sufficient to satisfy required payments of principal and interest; (ii) we may not be able to refinance existing indebtedness or the terms of refinancing may be less favorable to us than the terms of existing debt; (iii) debt service obligations could reduce funds available for distribution to the Unitholders and funds available for capital investment and acquisitions; (iv) any default on our indebtedness could result in acceleration of those obligations and obligations under other loans and possible loss of property to foreclosure; and (v) the risk that necessary capital expenditures cannot be financed on favorable terms or at all. If a property is mortgaged to secure payment of indebtedness and we cannot make the applicable debt payments, we may have to surrender the property to the lender with a consequent loss of any prospective income and equity value from such property. The debt financing provided by us to the Asset SPVs comprises loans. The payment obligations of the respective Asset SPVs in relation to such debt financing are subordinated to all existing obligations of the Asset SPVs to any secured lenders in the event of occurrence of an event of default under the respective facilities. As such, our ability to receive loan payments or remedies with respect to such debt financing are subject to the rights of any senior creditors. See also, “– *We may be subject to certain restrictive covenants under the financing agreements that could limit our flexibility in managing our business or to use cash or other assets or to make distributions to Unitholders.*”

In terms of our Distribution Policy, the payments to existing and future lenders or debt-instrument holders are required to be serviced prior to any distributions by the Brookfield REIT and accordingly, distribution to the Unitholders will be made after making payments related to interest and principal of debt. We operate substantially through our Portfolio Companies and rely on payments and other distributions from the Portfolio Companies for our income and cash flows. Our Portfolio Companies have entered into financing agreements with lenders that include certain restrictive covenants, including in relation to declaration of dividends, which limit the ability of the Portfolio Companies to make distributions to us. Any reduction



in the cash flows of the Portfolio Companies or any unanticipated increase in any of the payments to be made by such entities may result in a decrease in available cash flows and adversely impact the ability of the Portfolio Companies to meet their payment obligations to lenders and make distributions to us. Additionally, we may incur further debt and a significant amount of such future debt may be utilized in the operation and development of our business. Also, concurrently with or subsequent to the completion of the Issue, the Brookfield REIT or the Portfolio Companies may obtain external debt financing through such modes as permitted under applicable law. The terms of this financing may limit our ability to make distributions to the Unitholders. Consequently, our cash flows and operating results and our ability to make distributions to Unitholders could be adversely affected by required repayments or related interest and other risks of our debt financing.

### **Risks Related to Our Business and Industry**

**3. *Our business and profitability are dependent on the performance of the commercial real estate market in India. Fluctuations in the general economic, market and other conditions may affect the commercial real estate market in India and in turn, our ability to lease office parks to tenants on favorable terms.***

The success of the office parks in the Expanded Portfolio is highly dependent on the performance of the commercial real estate market in India as well as general economic, demographic and political conditions. The success of the office parks in the Expanded Portfolio also depends upon the availability and efficiency of public infrastructure in their respective locations. The commercial real estate market in India may also depend on market prices for developable land and the demand for leasing of finished offices, both of which will continue to have a significant impact on our business, results of operations and financial condition.

The commercial real estate market may be affected by several factors outside our or our Manager's control, such as prevailing global and local economic conditions, cyclical downturns as well as downturns in specific sectors where tenants occupying the assets in the Expanded Portfolio are concentrated, such as the technology, consulting and financial services sectors. See also “– We may be unable to renew lease agreements or lease vacant area on favorable terms or at all, which could adversely affect our business, results of operations and cash flows.” Further, rising interest rates, increases in property taxes, changes in development regulations, zoning laws and other applicable regulations, political instability, acts of terrorism, natural or man-made disasters, pandemics such as COVID-19, reduction in the availability of financing, increases in operating costs and disruptions in amenities and public infrastructure may lead to a decline in demand for the Expanded Portfolio, which may adversely affect our business, results of operations and financial condition.

**4. *A significant portion of our revenue is derived from a limited number of tenants and sectors, and any adverse developments affecting such tenants or sectors may have an adverse effect on our business, results of operations and financial condition.***

We are dependent on a limited number of tenants and sectors for a significant portion of our revenues. The revenues of our Current Portfolio are concentrated, as follows:

- **Tenant concentration** – Our 10 largest tenants (by leased area) accounted for 63.5%, 66.2% and 74.7% of our Current Portfolio's leased area, as of March 31, 2023, 2022 and 2021, respectively. Of these, three tenants, Accenture, Tata Consultancy Services and Cognizant accounted for 14.1%, 13.9% and 12.6%, respectively, of our Current Portfolio's leased area as of March 31, 2023. These three tenants were present in three of the five properties in the Current Portfolio. Our 10 largest tenants (by Gross Contracted Rentals) accounted for 63.4%, 64.8% and 73.9% of our Gross Contracted Rentals, as of March 31, 2023, 2022 and 2021, respectively. Of these, three tenants Accenture, Tata Consultancy Services and Cognizant accounted for 16.3%, 14.8% and 10.3%, respectively, of our Gross Contracted Rentals as of March 31, 2023.
- **Sector concentration** – Tenants in the technology sector accounted for 47.4%, 50.7% and 49.7% of the leased area of our Current Portfolio, as of March 31, 2023, 2022 and 2021, respectively.

Assuming completion of the Acquisition Transactions, as of March 31, 2023, tenants in the technology industry accounted for approximately 32.2% of the Gross Contracted Rentals of the Expanded Portfolio. Further, the 10 largest tenants (by leased area) accounted for 49.4% of the leased area of the Expanded Portfolio as of March 31, 2023. Of these, three tenants, Accenture, Cognizant and Tata Consultancy

Services accounted for 10.2, 9.8% and 9.7%, respectively, of the leased area of the Expanded Portfolio as of March 31, 2023. The 10 largest tenants (by Gross Contracted Rentals) accounted for 45.2% of the Gross Contracted Rentals of the Expanded Portfolio as of March 31, 2023. Of these, three tenants Accenture, Tata Consultancy Services and Cognizant accounted for 9.6%, 8.4% and 6.8%, respectively, of the Gross Contracted Rentals of our Expanded Portfolio as of March 31, 2023.

Further, since (i) six buildings operated by Downtown Powai SPV, and (ii) Kensington are registered with the DoI as private IT Parks on SEZ land, not less than 80% of their leases are required to be to tenants in the IT and ITeS sectors. Further, the Ministry of Commerce and Industry and the Department of Commerce have issued notifications to Candor Kolkata, SDPL Noida and Festus for setting up a sector-specific SEZ for the IT and ITeS sectors. Additionally, in accordance with the terms of their respective lease deeds with NOIDA, SPPL Noida and SDPL Noida are required to develop Candor Techspace N1 and Candor Techspace N2 for technology services only. Accordingly, we will continue to experience concentration from the tenants in the technology sector. Such restrictions may limit the ability of our Manager to select tenants from sectors outside of the technology sector on terms that may be more favorable. A concentration of tenants in the technology sector may also make the Expanded Portfolio more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting the technology industry. See also “– We may be unable to renew lease agreements or lease vacant area on favorable terms or at all, which could adversely affect our business, results of operations and cash flows.”

Accordingly, our business, results of operations and financial condition and our Manager’s ability to make distributions to Unitholders may be adversely affected by the loss of any of these large tenants or if one or more of these large tenants seek to prematurely terminate a majority of their lease agreements for any reason or experience a downturn in their business which may weaken their financial condition and result in their failure to make timely rental payments or result in such tenants not renewing their lease agreements. Similarly, a downturn in the technology sector may also adversely affect our business, results of operations, financial condition and prospects.

If our Manager is unable to diversify the tenant base to cover new sectors, in light of the constraints mentioned above, we may experience significant fluctuations in revenues, which could adversely affect our business, results of operations and financial condition.

5. ***We are in the process of acquiring 50% of the share capital of the Target SPVs (pursuant to definitive acquisition agreements) and have not yet received approvals from lenders and certain regulatory authorities for the acquisition. The acquisitions may not be completed in a timely manner or at all and any failure to realize the anticipated benefits of the Acquisition Transactions may adversely affect us.***

The Acquisition Transactions comprise the acquisition of: (1) 50% of the share capital (on a fully diluted basis) of Downtown SPV and (2) 50% of the share capital (on a fully diluted basis) of G1 SPV and 100% of the share capital (on a fully diluted basis) of MIOP by the Brookfield REIT. The Brookfield REIT has entered into separate acquisition agreements dated May 18, 2023 for the Downtown Powai Acquisition and the G1 Acquisition. The Brookfield REIT has also entered into an option agreement dated May 18, 2023 for the MIOP Acquisition. The aggregate enterprise value of the Acquisition Transactions (which does not include the MIOP Acquisition) is ₹112,250 million, which includes (i) 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, for an acquisition price of ₹65,000 million; (ii) 50% of the share capital (on a fully diluted basis) of G1 SPV, for an acquisition price of ₹47,250 million, subject in each case to adjustments in relation to net debt, working capital and other adjustments as agreed between the parties. The Brookfield REIT proposes to undertake the (i) Downtown Powai Acquisition by acquiring Downtown Powai SPV from the Downtown Powai Sellers and by acquiring the Downtown Powai Securities from the Downtown Powai Sellers in a single tranche, resulting in acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV and subscribe to the Downtown Powai Consideration NCDs for a total cash consideration of ₹16,963 million, and (ii) G1 Acquisition by acquiring G1 SPV from the G1 Sellers and subscribing to the G1 Issuance Securities and also acquiring the G1 Sale Securities from the G1 Sellers, resulting in acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV and subscribe to the G1 Consideration NCDs for a total cash consideration of ₹8,921 million. The Downtown Powai Acquisition and the G1 Acquisition are separate transactions and may be undertaken independently of each other. For details, please see “*The Acquisition Transactions – Downtown Powai Acquisition*”, “*The Acquisition Transactions – G1 Acquisition*”, and “*The Acquisition Transactions – Acquisition Mechanics*” on pages 205, 212, and 204, respectively. For details on the utilization of the proceeds of this Issue towards the Acquisition Transactions, please “*Use of Proceeds*”

on page 315. The MIOP Acquisition is proposed to be completed at a future date, and funding requirements for completing the MIOP Acquisition will be evaluated at the relevant time.

The Acquisition Transactions are subject to the completion or waiver, as applicable, of certain conditions precedent, including obtaining all applicable regulatory approvals and consents, including certain lender consents for change in control of G1 SPV and Downtown SPV pursuant to the Acquisition Transactions. Lender consents are also required for such repayment/ prepayment and the release of related securities (including pledges). Further, for the issuance of the Downtown Powai Debt Repayment NCDs and G1 Debt Repayment NCDs, the Target SPVs are required to obtain consents from their lenders. While we have made an application to one of the Target SPVs' lenders on July 10, 2023, we are yet to receive their consent. We have not made applications for consents to any of the other lenders.

The acquisition agreements may be terminated prior to closing under certain circumstances, including if closing does not occur by the stipulated long stop date (i.e., three months from the execution date of the respective share purchase agreements, or such other extended date in accordance with the respective share purchase agreements). We may not be able to complete the Acquisition Transactions in a timely manner, or at all on account of a failure to receive lender consents or any delay in the receipt of such consents. For further details, see "*The Acquisition Transactions*" on page 204.

Further, with respect to a building, aggregating 0.1 MSF in Leasable Area operated by Downtown Powai SPV, the prior written permission of Maharashtra Housing and Area Development Authority ("**MHADA**") is required under the lease deed with the MHADA ("**MHADA Lease Deed**"), (a) to either assign or sell or transfer in any other manner including parting with the possession of the MHADA's land or part thereof or (b) to change the use of the land; or (c) for change in proprietorship or ownership in favour of a third party. We have received a provisional no-objection certificate from the MHADA dated April 28, 2023 in relation to the Composite Scheme, through which Downtown Powai was been transferred to Downtown Powai SPV. Subsequently, we have made an application to MHADA on May 25, 2023, seeking a final no-objection approval to transfer the MHADA Lease Deed in favor of Downtown Powai SPV and a change in shareholding pursuant to the Downtown Powai Acquisition. The Downtown Powai REIT SPA provides that such an approval from the MHADA should be received within six months from the date of completion as a condition subsequent to the Downtown Powai SPV Acquisition. We cannot assure you that we will be able to obtain the required approval in a timely manner, or at all.

In the event that we complete the Downtown Powai SPV Acquisition without obtaining this approval, there may be penalties imposed by the MHADA, including (i) cancellation of the MHADA Lease Deed, and/ or (ii) penal action under the Maharashtra Housing and Area Development Act, 1976. While the Brookfield REIT is entitled to be indemnified for such losses under the Downtown Powai REIT SPA, we cannot assure you that such penalties, if levied, will not have a material adverse effect on our business and results of operations.

We cannot assure you that other conditions under the acquisition agreements will be completed in a timely manner or at all. Any inability or delay in satisfying any conditions may result in a delay or failure to complete the Acquisition Transactions. Further, in addition to the Issue, we may, subject to market conditions and other relevant factors, also consider various other forms of fund raising, including preferential allotment of Units, for cash or otherwise, and rights offering of Units, in accordance with applicable law, to complete the Acquisition Transactions, which may also lead to dilution of unitholding of other unitholders, including Unitholders who may subscribe to Units in this Issue. We have also received a letter dated July 27, 2023 from BSREP II India to the effect that its affiliates are willing to subscribe to further Units aggregating to ₹8,000 million - ₹11,000 million of the Brookfield REIT. For further details, please see "*The Acquisition Transactions – Acquisition Mechanics*" on page 204. We cannot assure you that we will be able to successfully consummate these forms of fund raising.

Further, pursuant to the Acquisition Transactions, we will assume the existing liabilities of the Target SPVs and the Target Assets. Although we have conducted due diligence in relation to the Acquisition Transactions with the objective of identifying any material existing liabilities, we may not have been able to identify all such liabilities. The terms of the acquisition agreements for the Acquisition Transactions contain certain representations and warranties and we are entitled to be indemnified for any breaches of such representations and warranties. However, the Sellers' obligation to indemnify us is subject to certain limitations that have been mutually agreed. Any losses or liabilities suffered by us in relation to Target SPVs for which we are unable to recover under these agreements will adversely impact our results of operations, profitability, cash flows, the trading price of our Units and our ability to make distributions to

Unitholders.

6. ***A significant portion of our revenue is derived from leasing activities at Candor Techspace G2, Candor Techspace N2 and the NCR and any adverse development relating to Candor Techspace G2, Candor Techspace N2 or NCR may adversely affect our business, results of operations and financial condition.***

Our revenue from operations is derived from five assets in four micro-markets. Set forth below are the details of property-wise rental revenue/operating income for our Portfolio Companies, for the Financial Year 2023, 2022 and 2021:

Property Name and Location	Asset SPV/ Entity	Financial Year					
		2023		2022		2021	
		Rental / Operating Income	% of total Rental / Operating Income	Rental / Operating Income	% of total Rental / Operating Income	Rental / Operating Income	% of total Rental / Operating Income
(₹ in millions, except for percentages)							
Kensington, Mumbai	Festus Properties Private Limited ("Festus")	1,893	15.8%	1,790	20.4%	1,592	18.4%
Candor Techspace G2, Gurugram <sup>1</sup>	Candor Kolkata One Hi-Tech Structures Private Limited <sup>2</sup> ("Candor Kolkata")	3,492	29.2%	3,222	36.8%	3,657	42.4%
Candor Techspace N1, Noida	Shantiniketan Properties Private Limited ("SPPL Noida")	1,751	14.6%	1,234	14.1%	1,191	13.8%
Candor Techspace N2, Noida	Seaview Developers Private Limited ("SDPL Noida") <sup>4</sup>	2,863	23.9%	505	5.8%	-	-
Candor Techspace K1, Kolkata	Candor Kolkata	1,971	16.5%	2,017	23.0%	2,092	24.2%
Operational Services Provider, Mumbai	Candor India Office Parks Private Limited ("CIOP") <sup>3</sup>	-	-	-	-	96	1.2%
<b>Revenue from operations</b>		<b>11,970</b>	<b>100.0%</b>	<b>8,768</b>	<b>100.0%</b>	<b>8,628</b>	<b>100.0%</b>

<sup>1</sup> Pursuant to the G2 Co-Development Agreement, we are entitled to receive 72% of the gross rentals and deposits from tenants arising out of the lease of area in Candor Techspace G2, while Gurgaon Infospace Limited is entitled to receive the remaining 28% and tenants are billed as per such agreed arrangement.

<sup>2</sup> Candor Gurgaon 2 was merged into Candor Kolkata with effect from May 4, 2020 with an appointed date of January 9, 2019.

<sup>3</sup> Represents property management fee from Candor Gurgaon 1 and SDPL Noida.

<sup>4</sup> We acquired SDPL Noida on January 24, 2022.

In addition, the revenues from our office parks located in NCR (Candor Techspace G2, Candor Techspace N1 and Candor Techspace N2) accounted for 67.7%, 56.7% and 56.2% of our revenue from operations for the Financial Years 2023, 2022 and 2021, respectively. As a result, Candor Techspace G2, Candor Techspace N2 and NCR are significant contributors to our revenue from operations. Going forward, our presence in the NCR will increase further due to the addition of Candor Techspace G1 (located in Gurugram) pursuant to the Acquisition Transactions, which may contribute to an increase in the contribution of our office parks located in the NCR to our revenue from operations. Therefore, should there be any adverse development relating to NCR, our business, revenue from operations and cash flows and our Manager's ability to make distributions to Unitholders may be adversely affected. Until our Manager is able to further diversify our Expanded Portfolio by adding new assets across various micro-markets, we may continue to experience significant dependence of our revenues from operations from leasing activities in the NCR.

7. ***If we are not successful in integrating the Target SPVs, our business, and results of operations and financial condition may be adversely impacted and we may incur exceptional expenses, impairment or write-offs.***

After the completion of the Acquisition Transactions, we could have difficulty in assimilating personnel, operations and technology of the Target SPVs into our operations. Transitioning these assets from the Target SPVs to our business could be particularly difficult due to different corporate cultures and values, business practices and other intangible factors. These difficulties could disrupt our ongoing business, distract our management and current employees and increase our expenses, including causing us to incur significant one-time expenses, impairment charges and write-offs. In addition, while we believe that synergies would result from the Acquisition Transactions, there is a risk that such synergies may not actually occur, or the extent of synergies actually recognized post-acquisition may not be as expected or that such acquisitions may not yield the returns anticipated, resulting in further disruptions to our business.

Other risks associated with the proposed acquisition include:

- the difficulty of maintaining uniform standards, controls, procedures and policies throughout our business;
- accurately judging micro-market dynamics, growth potential and competitive environment applicable to Downtown Powai and Candor Techspace G1;
- incurring unknown or unexpected potential liabilities;
- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, licenses and approvals from governmental and regulatory authorities and agencies;
- higher than planned expenditure to preserve and improve Downtown Powai and Candor Techspace G1; and
- our inability to maintain cordial relationships with Reco Europium and Reco Cerium, affiliates of GIC, and the holders of the remaining 50% share capital (on a fully diluted basis) of Downtown SPV and G1 SPV, respectively, which could affect our business and results of operations. For details, please refer to “– If our Manager is unable to maintain relationships with other stakeholders in the Expanded Portfolio, our results of operation and financial condition may be adversely affected.” below on page 55.

The occurrence of any such risks could adversely affect our business, results of operations and financial condition.

- 8. *We have a limited operating history and may not be able to operate our business successfully, achieve our investment objectives or generate sufficient cash flows to make or sustain distributions. Further, the Special Purpose Condensed Combined Financial Statements included in this Preliminary Placement Document are not directly comparable to our Consolidated Financial Statements, and may not necessarily represent our consolidated financial position, results of operation and cash flows.***

The Brookfield REIT was settled as a contributory, irrevocable and determinate trust, under the provisions of the Indian Trusts Act, 1882, on July 17, 2020 and registered with SEBI as a REIT on September 14, 2020. We were listed on February 16, 2021. For further details in relation to distribution made since listing, see “*Distribution*” on page 306. Accordingly, we have a limited operating history by which our performance may be judged and may not be able to operate our business successfully or generate sufficient cash flows to make or sustain distributions. There is no assurance that we will be able to continue to achieve our investment objectives.

Further, the Special Purpose Condensed Combined Financial Statements included in this Preliminary Placement Document are merely a combination of historical financial data of our Portfolio Companies (except SDPL Noida), as required under the REIT Regulations. For the purpose of this Preliminary Placement Document, the Special Purpose Condensed Combined Financial Statements have been prepared on the basis of certain assumptions and so as to present the financial position, results of operations and cash flows of our Portfolio Companies (except SDPL Noida) on a combined historical basis (which includes our Portfolio Investment as an investee company) for the Financial Year 2021. Accordingly, the Special Purpose Condensed Combined Financial Statements for the Financial Year 2021 are different and are not comparable to the Consolidated Financial Statements for the Financial Years 2023 and 2022 and do not necessarily represent our consolidated financial position, results of operations and cash flows had we been in existence and if we had been operated under a common management during the periods presented. As a result, the Special Purpose Condensed Combined Financial Statements, because of their nature, may not give a true or accurate picture of our actual profit or loss or financial position. We cannot assure you that our future performance will be consistent with the past financial performance included elsewhere in this Preliminary Placement Document. For further details, see “*Financial Information*” on page 247. Accordingly, prospective investors should not rely on the Special Purpose Condensed Combined Financial Statements as a substitute for the Consolidated Financial Statements in making an investment decision.

9. ***The pro forma financial and other information included in this Preliminary Placement Document is prepared for illustrative purposes only. Our actual results may be materially different from the actual outcome of the event or transaction as presented in the pro forma financial and other information.***

In this Preliminary Placement Document, we present Unaudited Condensed Combined Pro forma Financial Information as of and for the Financial Year 2023, as adjusted to give effect to:

- the completion of the Downtown Powai Acquisition;
- the completion of G1 Acquisition; or
- the completion of both the Downtown Powai Acquisition and the G1 Acquisition,

The Proforma Condensed Consolidated Balance Sheet as at March 31, 2023 has been prepared to reflect either or both of the Acquisition Transactions as if the acquisitions occurred on April 1, 2022.

We also present certain pro forma operating measures in this Preliminary Placement Document, which shows the effect of the Acquisition Transactions, and also other transactions related to the Acquisition Transactions. Such pro forma operational information does not form a part of the Unaudited Condensed Combined Pro forma Financial Information. For example, the Pro-forma NDCF included in this Preliminary Placement Document, which does not form a part of the Unaudited Condensed Combined Pro forma Financial Information, assumes (a) that the G1 Income Support Agreement was in-place for Financial Year 2023 although the G1 Income Support Agreement is only expected to be effective from the “commencement date” (as defined under the G1 Income Support Agreement); and (b) the partial repayment of external debt availed by the Target SPVs and refinancing of external debt of the Target SPVs on terms sanctioned by the prospective lenders.

The pro forma operating measures and the Unaudited Condensed Combined Pro forma Financial Information are presented since definitive agreements have been entered into in relation to the Acquisition Transactions (which are subject to closing conditions). The pro forma operating measures will vary in case any of the above assumptions change, including any changes in the consideration for the acquisition on account of potential closing adjustments. The metrics of the entities/businesses being acquired have been computed on the same basis as the corresponding metrics of Brookfield REIT as of and for the year ended March 31, 2023.

The pro forma operating measures and Unaudited Condensed Combined Pro forma Financial Information are presented for illustrative purposes only and do not represent what the actual results of operations would have been if the events for which the adjustments were made had occurred on the dates assumed. The Brookfield REIT’s future operating results and the actual outcome of the Acquisition Transactions may differ materially from the *pro forma* amounts set out in this Preliminary Placement Document due to various factors, including changes in operating results. In particular, the market capitalization of the REIT after the completion of the Acquisition Transactions and indicative debt summary of the Expanded Portfolio included elsewhere in this Preliminary Placement Document have been calculated assuming a proposed Issue of up to 124 million Units at an indicative price of ₹275 per Unit, aggregating ₹34,000 million. The indicative issue price of ₹275 per Unit is not the minimum issue price prescribed by the Master Circular on Real Estate Investment Trusts dated July 6, 2023, and the actual price at which Units will be offered pursuant to this Issue may vary. The proposed Issue size is also indicative and may vary. Further, the pro forma operating measures and Unaudited Condensed Combined Pro forma Financial Information have not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities Exchange Act, U.S. GAAP, IFRS or Ind-AS.

The pro forma operating measures and Unaudited Condensed Combined Pro forma Financial Information are, by their nature, subject to change and may not give an accurate picture of the actual financial results of operations that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and are not intended to be indicative of our future financial results of operations.

The pro forma information addresses hypothetical situations and does not represent our actual consolidated financial condition, distributions or results of operations, and is not intended to be indicative of our future financial condition, distributions and results of operations. The adjustments set forth in the pro forma information are based upon available information and assumptions that the Manager believes

to be reasonable. If the assumptions underlying the preparation of such information do not occur, our actual results could be materially different from those indicated in the information. The rules and regulations related to the preparation of pro forma information in other jurisdictions may vary significantly from the basis of preparation for the pro forma information included in this Preliminary Placement Document. Accordingly, the pro forma information should not be relied upon as if it has been prepared in accordance with those standards and practices.

Further, each Acquisition Transaction is subject to the completion of various conditions and there is no assurance that the Acquisition Transactions will all be successfully completed in the manner described in this Preliminary Placement Document or at all. In case any one or more of the Acquisition Transactions are not completed, the pro forma information presented herein would be entirely incorrect.

Investors should note that the pro forma information should not be construed to mean that the Acquisition Transactions will definitely occur (even though definitive agreements have been entered into), including as described in this Preliminary Placement Document.

**10. *The current and estimated rental yields for the Target Assets included in this Preliminary Placement Document are solely for illustrative purposes to comply with the requirements of the REIT Regulations. Actual rental yields for the Target Assets may materially differ from the expectations expressed herein.***

In this Preliminary Placement Document, we present Estimated NOI and Estimated NOI Yield for the Target Assets (see “*Our Business and Properties – Impact of the Acquisition Transactions - Current and estimated rental yields for the Target Assets*”) on page 163). This information is presented for illustrative purposes, solely to comply with the requirements of Regulation 19(6)(f) of the REIT Regulations. Estimated NOI and Estimated NOI Yield are based on various assumptions and estimates calculated on the basis of historical information, and actual results may be materially different from the expectations expressed or implied herein. These assumptions and estimates include the following:

- *Operating lease rentals:* OLR (₹PSF/month) for the Target SPVs for the Financial Year 2023 has been calculated based on the operating lease rentals which were in place as of March 31, 2023. Based on these in-place operating lease rentals, the OLR for leased areas has been calculated by assuming that such the in-place operating lease rentals were received for each month in Financial Year 2023 across all leased areas by both Target SPVs. If the Target SPVs experience any termination of lease rentals and/or re-leasing at lower rentals, this will result in a lower OLR. As a result, the actual rental yields may be lower than the estimates provided in this Preliminary Placement Document.
- *Net Operating Income:* The Current NOI Run Rate for Leased Areas for the Target SPVs has been calculated by multiplying the OLR for the Financial Year 2023 by the historical NOI / OLR ratio for the same period. We cannot assure you that the actual NOI will be the same as the NOI that we have derived based on our OLR for Financial Year 2023.
- *Vacant Areas:* OLR and NOI for the vacant areas has been calculated by assuming that we will derive the same operating lease rentals (₹PSF/month) for these areas when they are leased out as currently derived from the leased areas, and that the NOI/OLR ratio for the vacant areas will remain consistent with the NOI/OLR ratio for the leased areas. If we are unable to lease out the vacant areas on similar commercial terms as the leased areas, this could significantly impact our Estimated NOI Yield.

Further, given that Current NOI Run Rate, Current NOI Yield, Estimated NOI and Estimated NOI Yield are non-GAAP measures and are not defined in the Ind AS or IFRS, they are not to be considered as substitutes for the defined operating performance metrics such as revenue from operations, net income or cash flow from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends.

Investors should not rely upon the current and estimated rental yields (and related measures) for the Target Assets included in this Preliminary Placement Document and such measures are not intended to be indicative of our future results of operations.

**11. *The valuation reports obtained for the Expanded Portfolio are based on various assumptions and may not be indicative of the true value of the asset.***

The valuation of real estate is inherently subjective due to, amongst other factors, the individual nature of the property, its location, the expected future rental revenues from that particular property and the valuation method adopted.

Valuation reports issued by Ms L. Anuradha, independent valuer of the Brookfield REIT and ANVI Technical Advisors Private Limited, a valuer as defined under the REIT Regulations, along with related review reports issued by Cushman & Wakefield India Private Limited and Colliers International (India) Property Services Private Limited, respectively, are included in this Preliminary Placement Document. For details on the assumptions, disclaimers and methodology used in the respective valuation reports, see “Valuation Reports” in **Annexure D** of this Preliminary Placement Document. The valuation is an estimate and not a guarantee, and it is fully dependent upon the accuracy of the assumptions as to income, expense and market conditions. The assumptions made and conclusions derived may turn out to be inaccurate, which may affect the valuation of the Acquisition Transactions. Further, the valuers have followed particular methodologies to arrive at the valuation. We cannot assure you that other methodologies would not have led to a different valuation.

The valuation reports do not purport to contain all the information that may be necessary or desirable to fully evaluate us, the Expanded Portfolio, the Acquisition Transactions or an investment in the Units. The valuation reports do not confer rights or remedies upon investors or any other person, and do not constitute and should not be construed as any form of assurance as to our financial condition or future performance or as to any other forward looking statements included therein, including those relating to macro-economic factors, by or on behalf of us, the Manager, the Trustee or the Lead Managers. Further, we cannot assure you that the valuations prepared by the valuers reflect the true value of the net future revenues of the Acquisition Transactions or the Expanded Portfolio or that other valuers would arrive at the same valuation. The valuers have used certain assumptions which are subject to uncertainties and contingencies. These assumptions include, for example, assumptions relating to the expected rental demand for properties in the Expanded Portfolio. We cannot assure you that such assumptions will turn out to be accurate.

The valuation reports have not been updated since the date of their issue, and do not consider any subsequent developments and should not be considered as a recommendation by us, the Manager, the Trustee, the Lead Managers or any other party, that any person should take any action based on such valuation. Accordingly, investors should not rely on the valuation reports in making an investment decision to subscribe to or purchase Units.

**12. *The ROFO Agreements entered into by us are subject to various terms and conditions and we cannot assure you that we will be able to consummate such transactions in a timely manner, or at all.***

Under the ROFO Agreements, we have the right to acquire (a) the shareholding of the members of Brookfield (“**Sellers**”) in the ROFO Companies (“**ROFO Properties**”); and (b) the identified asset i.e. the units held by Parthos, a ROFO Company, in ‘Jet Airways Godrej BKC’ situated in the Bandra Kurla Complex (one of the ROFO Properties) (“**BKC ROFO Property**”) in the event the Sellers decide to sell or transfer the ROFO Properties or Parthos decides to sell the BKC ROFO Property for an amount equal to or greater than the threshold consideration set out in the ROFO Agreements to any third party during the term of the respective ROFO Agreements. We cannot assure you that the terms of the offer made by us will be acceptable to the Sellers or Parthos, as applicable, and we will be able to successfully acquire the ROFO Properties or the BKC ROFO Property. Further, we cannot assure you that the ROFO Companies will qualify as eligible SPVs under the REIT Regulations at the time of the sale or transfer the ROFO Properties.

The eventual cost of the acquisition the ROFO Properties will be subject to the thresholds set out under the REIT Regulations. Further, other investment vehicles of Brookfield have invested or may seek to invest in a broad range of real estate investments including in the ROFO Properties which may be purchased by the Brookfield REIT in the future and we cannot assure you that it could not achieve more favorable terms if such transactions were not entered into with related parties.

Additionally, the consummation of the ROFO Agreements may also be subject to us and the ROFO Companies obtaining various prior approvals and consents including corporate approvals (such as



approval of Unitholders, as applicable) and/or regulatory approvals. We cannot assure you that such approvals will be obtained in time, or at all, or that the approvals will be provided without the stipulation of conditions, which may be onerous in nature.

The ROFO Agreements shall stand automatically terminated due to, among other things, the Brookfield Group ceasing to control (as defined in the ROFO Agreements) the Manager of the Brookfield REIT and failure on part of the Brookfield REIT to complete the acquisition of the ROFO Companies or the BKC ROFO Property in accordance with the timelines specified under the ROFO Agreements. We cannot assure you that we will be able to exercise such rights and that such rights will be exercised by us in a timely manner, or at all. In addition, the risks that apply to the business and operations of the Portfolio are generally applicable to the ROFO Properties as well. For further details on the ROFO Agreements, see “*Related Party Transactions – ROFO Agreements*” beginning on page 240.

**13. *Our Manager does not provide any assurance or guarantee of any distributions to the Unitholders. Our Manager may not be able to make distributions to Unitholders in the manner described in this Preliminary Placement Document or at all, and the quantum of distributions may decrease.***

There is no assurance or guarantee of any distributions to the Unitholders. In accordance with the REIT Regulations, distributions to Unitholders are based on the NDCF available for distribution. The REIT Regulations prescribe a pre-determined framework for assessment of NDCF, which is also set out in the policy on distribution framed under the REIT Regulations, in consultation with financial and tax advisors and the results of which will be reviewed by our statutory auditor. For details of the REIT Regulations governing distributions, and details of the distribution made since our listing and our distribution policy, see “*Distribution*” beginning on page 306.

The ability of our Manager to make distributions to the Unitholders may be affected by several factors including among other things:

- the cash flows from operations generated by our Asset SPVs and Target SPVs including from the Income Support Agreements;
- the debt service costs and other liabilities of our Asset SPVs and Target SPVs, including terms of the financing and agreements;
- the working capital needs of our Asset SPVs and Target SPVs;
- our ability to access debt financing markets at acceptable interest rates, or at all;
- the extent of lease concessions, rent free periods, and incentives given to tenants to attract new tenants and retain existing tenants;
- the terms of and any payments under, any agreements governing land leased or co-developed by our Asset SPVs and Target SPVs;
- completing the development of the Under Construction Area and Future Development Potential within the anticipated timeline and within the forecasted budget;
- business, results of operations and financial condition of our Asset SPVs and Target SPVs;
- applicable laws and regulations, which may restrict the payment of dividends by our Asset SPVs and Target SPVs or distributions by us;
- any redemption or buyback of securities by our Asset SPVs and Target SPVs;
- fees payable to our Manager in accordance with the Investment Management Agreement;
- payments of tax and other legal liabilities, including any litigation costs and fines and penalties levied by regulatory authorities;
- availability of tax benefits to our Asset SPVs and Target SPVs whose assets are located on land notified as SEZs; and

- discharging indemnity or other contractual obligations of our Asset SPVs and Target SPVs under their respective underlying contracts or similar obligations.

Further, as non-cash expenditure, such as amortization and depreciation, is charged to the profit and loss account, our Asset SPVs and Target SPVs may have surplus cash but no profit in the profit and loss account, and hence may not be able to declare dividends as per applicable regulations. In the event of the inability to declare such dividends, our Asset SPVs and Target SPVs, our Manager and the Trustee may need to evaluate other options to make distributions to the Unitholders and utilize such surplus cash. We cannot assure you that the strategies implemented will be effective in extracting such cash surplus for making distributions to the Unitholders.

**14. *Our dependence on rental income may adversely affect our profitability, ability to meet debt and other financial obligations and our Manager's ability to make distributions to Unitholders.***

Almost all of our historic income is rental income from the Current Portfolio, and we expect nearly all of our future income to be rental income from the Expanded Portfolio. As a result, our performance and business including our ability to service our debt obligations depends on the collection of rent from tenants in a timely manner. Our income and cash flows for distributions to Unitholders would be adversely affected if a significant number of tenants, or any of the large tenants, among other things, (i) fail to make rental payments when due, (ii) fail to renew the letter of approval granted by SEZ authorities, where applicable; (iii) decline to extend or renew lease agreements, upon expiration, (iv) prematurely terminate the lease agreement, without cause (including termination during the lock-in period), (v) declare bankruptcy, or (vi) the expiry or termination of the Income Support Agreements. Any of these actions may result in a significant loss of rental income. In such circumstances, our Manager cannot assure you that it will be able to rent out such area on commercially beneficial terms, or at all. Further, if a significant number of tenants or any of the large tenants seek to renegotiate key terms of their lease agreements, especially in relation to rent escalation and maintenance costs, it may reduce our income and cash flows for distributions.

Generally, lease rentals from our Asset SPVs and Target SPVs are charged to lenders towards repayment of amounts borrowed from such lenders. In case of termination of the lease agreements, the relevant Asset SPV or Target SPV may be required to make alternate arrangements to discharge its payment obligations to the lenders, failing which our Asset SPVs or Target SPVs could be in breach of the concerned facility agreements.

Further, under certain lease agreements, our Asset SPVs and Target SPVs may provide an exclusive option to the tenants, for a specified period of time, to lease additional premises in addition to the demised premises. During such period, the tenants are not liable to pay any rent or other consideration for the additional premises, and our Asset SPVs and Target SPVs are required to hold such premises in reserve for the tenants and not offer the premises to any third party till the expiry of such period. Additionally, our Asset SPVs and Target SPVs may grant the right of first refusal to certain tenants, for a limited period of time, over additional premises of our Asset SPVs and Target SPVs before an opportunity to lease is given to third parties. In case these rights are granted to tenants, our Manager cannot assure you that the tenants will exercise such rights within the prescribed timelines, or at all, which may lead to a loss of revenue for our Asset SPVs and Target SPVs for such period during which the premises remain vacant. In the case of our under-construction properties, our Asset SPVs and Target SPVs may also enter into pre-committed lease arrangements with potential tenants and any changes to, or delay in the execution of the final lease agreements may adversely affect our results of operations.

In addition, in a few instances, our Asset SPVs and Target SPVs enter into lease agreements wherein they are required to undertake certain fit out and interior works at the cost of the tenants, or obtain occupancy certificates or rent permissions from the concerned authorities for the premises prior to handing over the premises to tenants. In the event of any delay in obtaining occupancy certificates or rent permissions or any breakdown or damage to the premises resulting in failure of the tenants to carry out their operations, the concerned Asset SPV may be required to provide rent-free days or percentage deduction in the rent to the tenants till the cure of such delay or refund of security deposits, which in turn could adversely affect the revenues of the concerned Asset SPV. Additionally, in certain cases, the tenants also have a right to terminate the arrangement in case of delay in providing critical services such as power back up, air conditioning and lift services exceeds the agreed timelines. Any such instances may affect our business, results of operations and cash flows.

**15. *Our Manager cannot assure you that it will be able to successfully complete future acquisitions or efficiently manage the assets that we may acquire in the future. Further, any future acquisitions may be subject to acquisition related risks.***

On May 18, 2023, we entered into acquisition agreements to acquire 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV and G1 SPV, each. Further, pursuant to an agreement to purchase dated January 13, 2021, we acquired 100% of the outstanding equity shares and CCDs of SDPL Noida, which owns Candor Techspace N2. Our growth strategy in the future may involve additional strategic acquisitions of commercial properties and other assets. For further details, see “*Our Business and Properties – Overview of the Target Assets*” beginning on page 168.

Our Manager will continue to evaluate potential acquisition opportunities which would further our strategic objectives. However, our Manager may not be able to identify suitable properties, consummate transactions on terms that are commercially acceptable to us, or achieve expected returns and other benefits from acquired properties. We may also face active competition in acquiring suitable and attractive properties from other investors, including other REITs, property developers, sovereign wealth funds and private investment funds, which may result in competitive pricing of the target property or the inability to acquire the target property. Our Manager cannot assure you that we will be able to compete effectively against such entities and the ability of our Manager to make acquisitions in accordance with such strategy may be adversely affected.

Any future acquisitions or investments may require significant capital and may expose us to potential risks, including risks associated with undisclosed disputes, non-compliance with applicable laws, incurring additional debt, risks that acquired properties will not achieve anticipated profitability and an inability of the acquired property to generate sufficient potential revenue in the future to offset the costs and expenses of the acquisition. Further, future acquisitions may require various regulatory approvals, including approvals from local development and regulatory authorities, prior to undertaking such transactions (including any contingent liabilities related to the properties or businesses that we have acquired, such as remediation or environmental claims, tax liabilities or other liabilities not yet known or identified). Our Manager cannot assure you that it will receive the necessary approvals to consummate such transactions in the required time period or at all. If an acquisition is unsuccessful, we may lose the value of our investment, which could adversely affect our business, results of operations and financial condition. The REIT Regulations also prescribe minimum holding period requirements in relation to acquisitions made by a REIT. Future acquisitions may cause disruptions to our operations and divert our Manager’s attention away from day-to-day operations. Newly acquired properties may require significant attention of our Manager and resources that would otherwise be devoted to the ongoing business. Also, the synergies or efficiencies from such acquisitions may take longer than expected to be achieved or may not be achieved at all.

In addition to compliance with the provisions of the REIT Regulations, due to our Sponsor and Manager not being Indian owned and controlled, any future investment by us in holding companies or SPVs may also be subject to the investment conditions prescribed under the extant foreign exchange regulations for investment in real estate.

Future acquisitions may also be subject to acquisition related risks of having both known and unknown liabilities. In case a liability in relation to the ownership of the acquired property is raised against us, we may have to pay amounts to settle such claims, which could adversely affect our cash flows.

Our Manager is required to distribute at least 90% of our NDCF to Unitholders. Accordingly, our ability to undertake any future acquisition will depend on our ability to raise further funds from investors through a fresh issue of Units and/or to raise debt financing, or through such other means of funding as permitted under the REIT Regulations and the extant foreign exchange regulations, which will be subject to the leverage ratios prescribed under the REIT Regulations and applicable laws. For risks in relation to restrictions on sources of funding, see “– *Our Manager may not be able to successfully meet working capital or capital expenditure requirements of the Expanded Portfolio*” beginning on page 63.

**16. *There can be no assurance that the Under Construction Area or Future Development Potential will be completed in its entirety in accordance with anticipated timelines or cost, or that we will achieve the results expected from such projects, which may adversely affect our reputation, business, results of operations and financial condition.***

Our Expanded Portfolio has Under Construction Area and Future Development Potential totalling 4.6 msf, as of March 31, 2023. Completion of such projects involves incurring substantial time and costs and is subject to a number of factors. These factors include increases in prices and shortages of (i) equipment, technical skills and labor; and (ii) construction materials (which may prove defective). Further, such projects may also be affected by adverse changes in the regulatory environment, weather conditions and risks associated with third party service providers. There could also be a delay in obtaining the requisite approvals and permits from the relevant authorities and other unforeseeable problems and circumstances, such as the conditions prevailing on account of the COVID-19 pandemic. We may also be required to purchase additional FSI or FAR from third parties or make applications to governmental authorities for such additional FSI or FAR in order to undertake the proposed construction. Any of these factors may lead to delays in, or prevent the completion of the Under Construction Area or Future Development Potential and may result in any of the following:

- costs substantially exceeding those originally budgeted for;
- the projected returns of such project not being met;
- dissatisfaction among the tenants, resulting in potential adverse action by them, or any consequent negative publicity or decreased demand;
- key underlying approvals terminating or expiring;
- the incurrence penalties from statutory or governmental authorities for any delay in the completion of the proposed property development; or
- liability for penalties under the terms of pre-committed or other agreements with tenants.

Any of these circumstances could adversely affect our business, results of operations and financial condition. Continued delays in the completion of the construction of projects will also adversely affect our reputation.

**17. *We may be unable to renew lease agreements or lease vacant area on favorable terms or at all, which could adversely affect our business, results of operations and cash flows.***

Our Asset SPVs and Target SPVs have entered into lease agreements with their respective tenants for terms that generally extend from five to 15 years. Leases and rent agreements with tenants of the assets may expire in the near future and may not be renewed by such tenants. Certain tenants with presence across multiple assets may also decide to move out of some or all of their leased area. In particular, lease agreements for properties totalling 1.2 msf in our Existing Portfolio are expected to expire in the Financial Year 2024, with a substantial portion of these expected to expire in the first half of the Financial Year 2024. Based on our discussions with our tenants up to the date of this Preliminary Placement Document, we currently expect that only a portion of such lease agreements will be renewed and that a significant portion out of this area is likely to remain vacant during Financial Year 2024, which may lead to reductions in our operating lease rentals and net operating income.

Our tenants' decisions to terminate or not renew their lease agreements could be based on various factors, including global macroeconomic trends or trends affecting specific industries or sectors. In particular, many of our clients operate in the technology and consulting sectors, which have recently witnessed layoffs and other challenges. If our clients are required to reduce operating costs or employee headcount, they may terminate or fail to renew their lease agreements. If any of these events occur, we may face delays in finding suitable replacements on satisfactory terms or at all.

Further, even if we are able to find replacement tenants, we cannot assure you that such replacements can be found in a timely manner. There may be a lag between the time that one tenant vacates a property and another tenant occupies that property. Further, even after a replacement tenant occupies a property, we typically provide a rent free period during which the tenant is permitted to undertake fit-out works and

we do not charge our tenants any rent for this period. Any of the foregoing could have an adverse effect on our business, results of operations and cash flows.

Under the lease agreements, the tenants are generally required to furnish an interest free, refundable security deposit. Upon the expiry or termination of such agreements, the relevant Asset SPVs and Target SPVs are required to refund such deposits to the tenants, subject to deductions, as applicable. In the event of any failure or delay in refunding such security deposits, our Asset SPVs and Target SPVs are required to pay additional interest to the tenants that typically range from 12% to 18% on such deposits and hence such refunds could temporarily impact the liquidity of such Asset SPVs or Target SPVs. Further, any default by a tenant prior to the expiry of a lease agreement may result in deductions in, or forfeiture of, its security deposit. The quantum of deduction or forfeiture may also be contested by the concerned tenants, which may eventually impact the ability of our Asset SPVs and Target SPVs to take possession of the property in question. Legal disputes, if filed by our Manager on behalf of us or our Asset SPVs and Target SPVs in this regard, may take time to resolve and involve expenses if they become the subject of court proceedings and their outcome may be uncertain.

Further, the renewal process of the lease agreements with existing tenants may involve delay in execution and registration of such agreements, resulting in the tenants being in possession of units without enforceable legal documents for a limited period, which may limit our ability or the ability of our Manager to enforce the terms of such agreements in a court of law during such period. We may be subject to dispute or litigation on account of non-compliance by any party of the terms of such agreements which may have a negative impact on our reputation and operations.

Further, as per the terms of some of the existing agreements, our Asset SPVs and Target SPVs may not be permitted to lease floors in the same premises to the competitors of the lessee. As a result, if vacancies continue for a longer period than expected, it would have an adverse effect on our results of operations and financial condition.

In the event of a termination of a lease by the lessor, tenants may also seek statutory protection or take legal action against eviction. For example, at Kensington, tenants that are private limited companies or public limited companies with a paid-up share capital of less than ₹10 million, could claim protection from wrongful eviction under the Maharashtra Rent Control Act, 1999 (“**MRC Act**”).

In the past, there has been an instance where tenants have sought legal protection against eviction proceedings. For details, see “– *The majority of the assets in the Expanded Portfolio are located on land notified as SEZs and a few are registered as private IT parks and the relevant Asset SPVs and Target SPVs are required to comply with the SEZ Act and the rules made thereunder along with their respective conditions of registration as private IT parks*” on page 61. In the event there are similar tenant claims against eviction including those under the MRC Act or any other statute or court order, it may result in legal disputes and the rentals during that period being limited, which in turn could adversely affect our results of operations and cash flows.

**18. *The actual rent received for the assets may be less than the Leasing Rent or the market rent and we may experience a decline in realized rent rates from time to time, which may adversely affect our business, results of operations, cash flows and distributions.***

In this Preliminary Placement Document, our Manager has made certain comparisons between in-place rents, Leasing Rent and market rents for the office parks. On account of a variety of factors, including competitive pricing pressure in the markets in which the office parks are located, changing market dynamics including demand and supply, a general economic downturn, the impact of the COVID-19 pandemic (which may result in reduction in rent levels or deferral of rentals) and the desirability of the office parks compared to other properties in the markets and micro-markets in which the office parks are located, our Manager may be unable to realize the estimated market rents across the office parks at the time of future leasing. In addition, the degree of discrepancy between the asking rents and the actual rents our Manager is able to obtain may vary both from office park to office park and among different tenants within a single office park. If our Manager is unable to obtain competitive rent rates across the office parks, our ability to grow our cash flows and make distributions to Unitholders could be adversely affected. In addition, depending on market rent rates at any given time, rent rates for expiring leases may be higher than the starting rent rates for new leases.

**19. *Recent disruptions in the financial markets and current economic conditions could adversely affect the ability of our Manager to service existing indebtedness. We may also require additional debt financing in order to continue to grow our business, which may not be available on acceptable terms, or at all.***

The capital and credit markets have been experiencing volatility and disruption, owing to factors such as increase in interest rates, rising inflation, increasing commodity costs, the COVID-19 pandemic and geopolitical factors such as Russia's invasion of Ukraine. Liquidity in the credit markets has been constrained due to market disruptions which may make it costly to obtain new lines of credit or refinance existing debt. As a result of the ongoing credit market turmoil or further increases in interest rates, our Manager may not be able to refinance the existing indebtedness or obtain additional financing on acceptable terms. As of March 31, 2023, our total outstanding indebtedness was ₹54,520 million. For more information, please see "*Leverage and Capitalization*" on page 309. As a result of the credit market turmoil, we may not be able to refinance the existing indebtedness or obtain additional financing on acceptable terms. As all of our borrowings are on a floating rate basis, we are impacted by increases in interest rate. In Financial Year 2023, the Reserve Bank of India has increased its repo rate (i.e., the rate at which the RBI lends money to commercial banks in India) on several occasions. These increases impacted our finance costs during Financial Year 2023 and will also impact our finance costs in Financial Year 2024, when the full year effect of these rate increases is reflected in our statement of profit and loss. Such increases in interest rates in the future may adversely impact our NOI, margins and profitability.

Further, the ability of our Manager to obtain additional debt financing on acceptable terms is subject to several uncertainties, including:

- investors' or lenders' perception of, and demand for the office parks;
- our future results of operations, financial condition and cash flows;
- the extant foreign exchange regulations in India, which do not permit leveraging funds from the domestic market for undertaking downstream investments;
- the prevailing economic, political and other conditions; and
- governmental policies concerning REITs.

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may significantly depend on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, financial condition, results of operations, reputation and prospects.

Any downgrade in India's credit rating could also increase borrowing costs and any such downgrade could increase the probability that our lenders may impose additional terms and conditions to any financing or refinancing arrangements that are entered into in the future and adversely affect our business, results of operations, financial condition and cash flows.

**20. *The Brookfield REIT, our Portfolio Companies, our Manager and our Sponsor have entered into several related party transactions, which could potentially pose a conflict of interest.***

The Brookfield REIT and our Portfolio Companies have entered and will enter into transactions either *inter-se* or with related parties, including our Manager, the Target SPVs, our Sponsor and their respective affiliates and our Sponsor Group, pursuant to the Investment Management Agreement, the Agreement to Purchase, the ROFO Agreements, the Candor Amended and Restated Service Agreement, the Candor Amended and Restated Transition, Operations and Maintenance Agreements, the loans provided by the Brookfield REIT to the Asset SPVs and Target SPVs, the Transition, Operations and Maintenance Agreement, the Trade-mark Sublicense Agreement, Candor Trademark Agreement, the Downtown Powai Property Management Agreement, the G1 Property Management Agreement, the GI the Income Support Agreement and the N2 Income Support Agreement, the terms of which may be deemed to not be as favorable to us as those negotiated between unaffiliated third parties. These transactions relate to, among others, the management of our Asset SPVs and Target SPVs, maintenance of the assets in the Expanded Portfolio, and loans and advances to be made by the Brookfield REIT to our Asset SPVs and Target SPVs. The transactions with related parties that have been entered into may have involved, and any future

transactions could potentially involve, conflicts of interest, and it may be deemed that we could have achieved more favorable terms had such transactions been entered into with unaffiliated third parties. For details, see “*Management Framework*” and “*Related Party Transactions*” beginning on pages 224 and 235.

Certain of our service providers or their affiliates (including accountants, administrators, lenders, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) may also provide goods or services to or have business or other relationships with Brookfield and payments by us to such service providers may indirectly benefit Brookfield. For example, our Manager, which is a part of Brookfield, provides real estate operating services to CIOP, which in turn carries out property management and facility management for the Current Portfolio, and our Manager receives and will continue to receive fees from CIOP for such services. CIOP increased its service fee for managing certain Asset SPVs and Target SPVs with effect from April 1, 2021. In certain circumstances, service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Brookfield entities as compared to services provided to us, which in certain circumstances may result in more favorable rates or arrangements than those payable by us. In addition, in instances where multiple businesses of Brookfield may be exploring a potential individual investment, certain of these service providers may choose to be engaged by other members of Brookfield rather than us. Our Manager may also provide property management and facility management services to other members of Brookfield. These relationships may influence us and our Manager in deciding whether to select or recommend such a service provider to perform such services for us or an Asset SPV (the cost of which will generally be borne directly or indirectly by us or such Asset SPV, as applicable).

Additionally, in determining whether to invest in a particular property on our behalf, our Manager may consider the long-term relationships of Brookfield with third parties, which may result in certain transactions not being undertaken by our Manager in view of such relationships. Further certain properties owned by us may be leased out to tenants that are part of Brookfield, which could give rise to a conflict of interest.

Our Manager may hire employees from Brookfield and such employees may also work on other projects of Brookfield, and therefore, conflicts may arise in the allocation of the employees and the employees’ time.

Also, it is likely that our Manager and/ or the Brookfield REIT will enter into additional related party transactions in the ordinary course of business. Such transactions, individually or in aggregate, could lead to a further perception of conflicts of interest. For more information regarding the related party transactions, see “*Related Party Transactions*” beginning on page 235.

The REIT Regulations specify the procedure to be followed for undertaking related party transactions. Our Manager has set in place the policy on related party transactions and conflicts of interest to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may, from time to time, reduce the synergies across our Manager’s various businesses that we expect to draw on for purposes of pursuing attractive investment opportunities and also lead to suboptimal execution of business plans for existing investments. For details on the policy, see “*Related Party Transactions*” beginning on page 235.

**21. *We may be subject to certain restrictive covenants under the financing agreements that could limit our flexibility in managing our business or to use cash or other assets or to make distributions to Unitholders.***

As of March 31, 2023, our total outstanding indebtedness was ₹54,520 million. For more information, please see “*Leverage and Capitalization*” on page 309. Our Asset SPVs and Target SPVs have entered into and, along with the Brookfield REIT, may enter into financing agreements with lenders, from time to time. These financing agreements generally include or could include certain restrictive covenants that may restrict our operations, including the requirement to obtain prior consents from lenders for, among other things:

- change in capital structure;
- amendment or modification of constitutional documents;

- declaration or payment of dividends or distribution of profits;
- incurring further indebtedness;
- restrictions on the utilization of loans;
- undertaking or permitting any merger, de-merger, consolidation, reorganization (other than a solvent reorganization not affecting the solvency of the said entity), scheme of arrangement or compromise with its creditors or shareholders;
- pre-pay any financial indebtedness of any other lender, entity or person; and
- undertake any new project or any substantial expansion of the borrower project.

For further details on lender consents required under the Target SPVs' loan documents, please see “– We are in the process of acquiring 50% shareholding in the Target SPVs (pursuant to definitive acquisition agreements), which may not be completed in a timely manner or at all and any failure to realize the anticipated benefits of the Acquisition Transactions may adversely affect us” above on page 40.

The restrictive covenants under the financing agreements may also require the borrowers to directly transfer lease rentals received from tenants to a separate escrow account under the lease rental discounting facilities, until such time that the loan amounts are not repaid, adhere to the financial ratios, such as loan to valuation ratio, or pay a specific amount as penalty for prepayment of the loan. The aforesaid limitations may adversely affect the flexibility and ability of our Manager to operate our business and in turn to make distributions to the Unitholders. If we or any of our Asset SPVs/Target SPVs fail to meet or satisfy any of the restrictive covenants, the lenders could elect to declare outstanding amounts due and payable, terminate their commitments, require posting of additional collateral and enforce their interests against existing collateral.

Any failure to satisfactorily comply with any condition or covenant (including technical defaults) under any financing agreements or any new financing agreements that may be entered into in the future may lead to an event of default which may result in actions including termination of one or more of the financing agreements of our Asset SPVs/Target SPVs or us, as applicable, acceleration of amounts due under such agreements, imposition of penalty interest, as well as trigger cross-defaults under certain other financing agreements which may result in the recalling of the loans provided under those financing agreements. Any of these factors could have an adverse effect on our financial condition, cash flows and prospects as well as our Manager's ability to meet our payment obligations under our financing agreements.

**22. *Non-compliance with, and changes in, environmental, health and safety laws and regulations could adversely affect the development of the Expanded Portfolio and our financial condition.***

We are subject to environmental, health and safety regulations in the ordinary course of our business including governmental inspections, licenses and approvals of its project plans from state pollution control authorities. Further, our Asset SPVs and Target SPVs are required to conduct environmental assessments and seek environmental clearance for their projects. Any change in government regulations or environment concerns that may be introduced during the development of an office park may result in completion delays and increased costs. We are also subject to several central and local laws and regulations relating to the protection of the environment that may require the owner or operator of a property liable to clean-up hazardous or toxic substances at a property. Such laws often impose liability irrespective of whether the owner or operator knew of, or was responsible for, any environmental damage or pollution and the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Failure to comply with these laws may result in penalties or other sanctions.

Further, environmental approvals are generally subject to ongoing compliance in the form of monitoring, audit and reporting norms, among others, under central environmental regulations and rules. We cannot assure you that all ongoing compliance or periodic filings which are required to be made in relation to the Expanded Portfolio have been made in a timely manner. Some of the environmental approvals may not be in place or not applied for or may have expired in the ordinary course of business, for which our Asset SPVs and Target SPVs have either made applications or are in the process of making applications with



the relevant authorities which are pending. For example, an application have been made to obtain environmental clearance for the proposed expansion from the State Environment Impact Assessment Authority in Candor Techspace K1. Further, applications to renew the consent to establish with respect to Candor Techspace K1 are yet to be made. Our Manager cannot assure you that such approvals will be granted in a timely manner or at all by the authorities.

Further, we cannot assure you that future laws, ordinances or regulations will not impose any environmental liability or that the current condition or status relating to the Expanded Portfolio will not be affected by changes or conditions relating to the land, operations in the vicinity of the assets or the activities of unrelated third parties.

In addition, we may be required to comply with several local, state and central fire, life-safety, health and similar regulations. Failure to comply with applicable laws and regulations could result in fines and/or damages, suspension of personnel, civil liability or other sanctions.

Further, some of our Asset SPVs have obtained certifications relating to environmental sustainability and management and occupational health and safety management. There is no assurance that we will be able to renew these certifications going forward. A failure to renew these certifications may adversely impact our business and reputation and our ability to meet our ESG targets.

**23. *If our Manager is unable to maintain relationships with other stakeholders in the Expanded Portfolio, our results of operations and financial condition may be adversely affected.***

The operations of certain Asset SPVs and Target SPVs depend on the relationships with other partners, shareholders and stakeholders. For example, Candor Techspace G2 is situated on land owned by a third party (“**G2 Co-Developer**”) and governed by the G2 Co-development Agreement. The G2 Co-development Agreement provides that Candor Kolkata and the G2 Co-Developer have indivisible rights in the complex for the purposes of marketing, leasing, licensing, as well as development and operation. The rent, deposits, advances and other receivables are shared between Candor Kolkata and the G2 Co-Developer as per a pre-agreed arrangement. Further, some of the approvals in relation to Candor Techspace G2, including the occupancy certificates, consent to establish and environmental clearances, are in the name of the G2 Co-Developer. In addition, Candor Kolkata has entered into a joint development agreement dated November 19, 2020 with the G2 Co-Developer (“**JDA**”) for undertaking commercial-cum-retail development at Candor Techspace K1. The rent, deposits, advances, margin on maintenance charges and such other receivables (excluding statutory payments) will be shared between Candor Kolkata and the G2 Co-Developer as per a pre-agreed arrangement. Under the JDA, the advances have been agreed to be non-refundable provided the development is commenced within 24 months from January 1, 2021 (subject to force majeure). Our Manager cannot assure you that the development will commence within the timelines contemplated under the JDA, or at all. Further, pursuant to the Acquisition Transactions, 50% share capital (on a fully diluted basis) of Downtown SPV and G1 SPV will be held by affiliates of GIC (Reco Europium and Reco Cerium, respectively). Our inability to maintain relationships with these entities may adversely affect our business and results of operations.

The Brookfield REIT proposes to acquire 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV and G1 SPV. The remaining 50% of Downtown Powai SPV and G1 SPV is being acquired by Reco Europium and Reco Cerium, respectively. Both entities are affiliates of GIC (a sovereign wealth fund). Accordingly, we have entered into shareholder arrangements with Reco Euopium with respect to Downtown Powai SPV and separately with Reco Cerium with respect to G1 SPV, to record their *inter-se* rights and obligations as shareholders of the Target Assets and the terms of management and governance of the Target Assets, including but not limited to transfer restrictions and reserved matters. Key reserved matters items include: (a) related party transactions; (b) changes to share capital; (c) incurring liabilities or expenses in excess of agreed amounts; and (d) deviations or amendments to the annual business plan and budget. Additionally, the Downtown Powai SHA and the G1 SHA, both provide for mechanisms for shareholder resolution in the event there is a refusal or failure by either shareholder to grant consents for certain reserved matters. However, until a deadlock is resolved, the parties to the respective SHAs are required to continue to conduct the Target SPVs’ affairs in such manner as they were being conducted prior to such a deadlock. The Downtown Powai SHA and the G1 SHA also set out certain events of default, including: (a) breaches of certain provisions in the agreements by their respective shareholders or the shareholders’ affiliates; (b) a wilful default by the Target SPVs’ information and access obligations under the agreements; (c) a failure by the Target SPVs to treat their respective shareholders alike in making distributions; (d) fraud by a Target SPV, its shareholders or such shareholder’s affiliates; and (e)

breaches of provisions relating to financial crimes. Upon the occurrence of an event of default, the non-defaulting shareholder is entitled, at its election, to exercise a call option at a discount to fair value or a put option at a premium to fair value. For details please see “*The Acquisition Transactions – Downtown Powai SHA*” and “*The Acquisition Transactions – G1 SHA*” on pages 206 and 211.

While, historically, our Asset SPVs and Target SPVs have had good relationships with partners and other stakeholders, our Manager cannot assure you that the same level of relationship will be maintained in the future. Any deterioration of the relationship could have an adverse impact on the management of the concerned asset, which could adversely affect our results of operation and financial condition.

**24. *Our Portfolio Companies are subject to ongoing compliance requirements under various laws, and there have been certain past instances of non-compliance.***

Our Portfolio Companies are incorporated and registered as companies under the Companies Act, 1956 and the Companies Act, 2013. The Companies Act prescribes various compliance norms in relation to, among others, issuance of capital, corporate governance, corporate filings, and secretarial book-keeping. While our Portfolio Companies conduct their operations in a manner compliant in material respects with the regulatory framework applicable to them, there have been instances in the past where certain of our Portfolio Companies may not have been in compliance with a particular compliance or filing requirement, or there may have been a delay in such compliance or filing requirement. For example, there have been certain inadvertent lapses in the past by SDPL Noida, SPPL Noida and Candor Kolkata (prior to its acquisition by Brookfield) on account of failure to refund the share application money received against proposed allotment of shares and segregation and maintenance of such share application money in a separate bank account, and the utilization of such share application money for general corporate purposes in non-compliance with the provisions of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011. In this regard, SDPL Noida, SPPL Noida and Candor Kolkata had *suo-motu* filed applications dated March 25, 2021, March 2, 2021 and March 8, 2021, respectively, for compounding such non-compliances before the Regional Director, Western Region, Mumbai, Maharashtra. While such compliance lapses have been compounded by way of payment of a total fee of ₹2 million by the Portfolio Companies and the applications have been disposed of, we cannot assure you that such non-compliances will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such non-compliances, in a timely manner or at all. Any penalty or regulatory action taken against us by the authorities may adversely affect our cash flows and results of operations.

**25. *The majority of the assets in the Expanded Portfolio are located on land notified as SEZs, and changes to government policy or rules concerning SEZs could adversely affect our business, financial condition and results of operations.***

Kensington, SDPL Noida, Candor Techspace G2 and a significant portion of the land on which Candor Techspace K1 is located are on land notified as SEZs. Over the past three Financial Years, we have leased out 0.4 msf, 1.3 msf and 1.7 msf in properties that are located in SEZs. We cannot assure you that we will be able to continue to lease out properties in SEZs, which will be subject to government policy and rules concerning SEZs. The developers and tenants in SEZ areas are granted several fiscal incentives. If such benefits are not available in the future, our business and results of operations may be adversely affected. For instance, under the Income Tax Act, 1961, a developer of an SEZ can claim a tax deduction of 100% of the profits and gains derived from such business, subject to certain specified conditions, for a consecutive 10-year period out of 15 years beginning from the year in which the SEZ is notified by the Government of India. However, post the amendment introduced by way of the Finance Act, 2016, this tax deduction is no longer available to a developer of an SEZ if the development of the SEZ commences on or after 1 April 2017.

Further, the Government of India proposes to replace the SEZ Act through the Development (Enterprise and Services) Hubs Bill, 2022 (“**DESH Bill**”). If the DESH Bill does not provide for fiscal incentives or relaxations which are comparable to the SEZ Act, we may face challenges in leasing out vacant properties, experience termination of leases, or our tenants may fail to renew their leases. Further, even prior to the enactment of the DESH Bill, we face the risk that tenants may not renew their leases or execute long term leases in anticipation of adverse changes to government policy. Further, we may incur increased costs relating to compliance with any new requirements prescribed by the DESH Bill, which may also require management time and other resources. Any of the foregoing could adversely affect our business, prospects, results of operations and cash flows.

**26. *Our business and operations are subject to compliance with various laws, and any change in law or non-compliance may adversely affect our business and results of operations.***

Our business is governed by various laws and regulations, including Transfer of Property Act, 1882, Special Economic Zones Act, 2005, Special Economic Zone Rules, 2006, Haryana Urban Development Authority Act, 1977, New Town Kolkata Development Authority Act, 2007, Uttar Pradesh Industrial Area Development Act, 1976, Maharashtra Municipal Corporation Act, 1949 and municipal laws of various states. Our business could be adversely affected by uncertainty in the applicability, interpretation or stricter implementation of, or any amendment to, any existing laws or municipal plans, or promulgation of new laws, rules and regulations applicable to us. For example, the Code on Wages, 2019 may increase our obligations and liabilities and require us to pay additional labor cess.

Our Asset SPVs and Target SPVs are required to comply with certain requirements under the MSME Act, including timely payments to the MSME vendors. Non-compliance with these requirements could result in imposition of penalties on our Asset SPVs and Target SPVs, and stoppage of supplies from the MSME vendors, which may adversely affect our business and results of operations.

The Asset SPVs and Target SPVs are also required to comply with anti-bribery and anti-money laundering laws in India and any inability on their part to detect such activities in a timely manner could subject them to regulatory action including imposition of fines and penalties, which may adversely affect our business and results of operations. For example, in February 2019, Candor Kolkata received a whistle blower complaint against an employee of CIOP in relation to the violation of its anti-bribery and corruption policy and code of conduct. Candor Kolkata appointed an independent firm to conduct an investigation and terminated the services of the concerned employee of CIOP on the basis of the investigation report.

Additionally, our Asset SPVs and Target SPVs are also required to prepare and implement an environmental corporate responsibility plan and spend at least 0.3% of the total project cost or such percentage as may be stipulated in the environment approvals or other applicable environment regulations or circulars or notifications, towards activities proposed under the environmental corporate responsibility plan. Any failure on our part or the respective Asset SPVs and Target SPVs to comply with the above requirements could result in an adverse effect on our business and results of operations.

Further, pursuant to a judgment by the Supreme Court of India dated February 28, 2019, it was held that basic wages, for the purpose of the provident fund, include special allowances which are common for all employees (the “**Judgment**”). However, there is uncertainty with respect to the applicability of the Judgment and period from which the same applies. Owing to the uncertainty and pending clarification from the authorities, we have not recognized any provision in this regard.

**27. *The laws governing REITs in India are in their early stages and relatively untested.***

The real estate sector in India including REITs is heavily regulated. The REIT Regulations comprise an evolving set of regulations and their interpretation and enforcement by regulators and courts is relatively untested. Such uncertainty in the applicability, interpretation or implementation of applicable laws and regulations to us, the Units, or debt and other securities issued by us may increase our compliance and legal costs in the future, thus adversely affecting our business and results of operations and consequently the ability of our Manager to make distributions to the Unitholders. In addition, the applicability of SEBI Listing Regulations, Insider Trading Regulations and the Takeover Regulations and the implementation thereof to REIT structures is evolving. Any future changes in regulations, interpretation and enforcement may also make it onerous for us to comply with the REIT Regulations and may reduce the attractiveness of the Units to prospective investors.

**28. *We are subject to compliance with FEMA Rules and other applicable foreign exchange regulations due to our Sponsor and Manager not being Indian owned and controlled. Any change in such laws or non-compliance may adversely affect our business and results of operations.***

Our Sponsor and Manager are not Indian owned and controlled and therefore any investment made by the Brookfield REIT in an Indian entity will be reckoned as an indirect foreign investment. Consequently, we will be required to comply with the extant foreign exchange regulations, particularly the FEMA Rules. For instance, any downstream or other investments made by the Brookfield REIT are subject to conditions, both in terms of investments and divestments, such as transfer restrictions and adherence to pricing guidelines. Also, owing to regulatory restrictions we may not be permitted to avail debt funding

from the domestic market in order to make any downstream investments, including in our Asset SPVs and Target SPVs. Compliance with such conditions may affect the ability of our Manager to make investments, which may consequently affect its ability to make distributions to Unitholders. Further, any future changes in regulations, interpretation and enforcement may also make it onerous for us to comply with such laws and regulations and may reduce the attractiveness of the Units to prospective investors. Additionally, we cannot assure you that in the event an approval is required from the RBI under the prevailing foreign exchange regulations the same will be obtained by us on acceptable terms within the prescribed time period, or at all.

- 29. *Candor Techspace N1 and Candor Techspace N2 are located on land leased from NOIDA and are required to comply with the terms and conditions provided in the lease deeds, failing which NOIDA may terminate the lease or take over the premises. Also, SPPL Noida and SDPL Noida may not be able to renew the lease with NOIDA upon its expiry or premature termination.***

Candor Techspace N1 and Candor Techspace N2 are located on land leased from NOIDA and are subject to compliance with the terms and conditions stipulated in the lease deed issued in favor of SPPL Noida dated March 24, 2006 and in the lease deed issued in favor of SDPL Noida dated May 25, 2006. SPPL Noida and SDPL Noida are required to comply with terms and conditions, such as land use for specific purposes, utilization of area as per FAR norms, completion of construction as per the approved business plans and milestones. Further, they are also required to obtain certificate for occupancy and permission of NOIDA for assignment, sub-letting and transfer of property. Additionally, SPPL Noida and SDPL Noida are required to indemnify NOIDA against claims arising from, among other things, any damage to adjacent buildings.

The lease deeds with NOIDA are valid for a term of 90 years, with no provision for renewal under their terms. In the event of termination or expiry of the lease deeds, our Manager cannot assure you that SPPL Noida and SDPL Noida will be able to renew the lease with NOIDA on terms acceptable to them or at all or procure similar premises at existing rates and with alike benefits and this may in turn adversely affect our business, financial condition and results of operations.

Our Manager cannot guarantee that SPPL Noida and SDPL Noida will be able to satisfy all or any of the conditions stipulated in the lease deeds or whether they are currently in compliance with such conditions. While the lease deeds executed by SPPL Noida and SDPL Noida with the tenants specifically include the purpose for which the premises can be utilized and other terms that they would be required to comply with, our Manager may not regularly monitor the premises to ensure that the tenant complies with the terms of the lease deeds executed between them and the tenants. Any non-compliance of the terms of the lease deeds by the tenants may in turn result in termination of SPPL Noida and SDPL Noida's lease deed with NOIDA or re-possession of the land by NOIDA or forfeiture of amount paid to NOIDA under the lease deed and this in turn could have an adverse impact on SPPL Noida and SDPL Noida and also adversely affect our business, financial condition and results of operations.

- 30. *Our Manager may not be able to control our operating costs, or the direct expenses may remain constant or increase, even if income from the Expanded Portfolio decreases, resulting in an adverse effect on our business and results of operation.***

Our business is substantially dependent on leasing of the assets in the Expanded Portfolio to tenants on terms favorable to it. Costs associated with real estate investment, such as energy costs, property tax, insurance and maintenance costs, are typically not reduced even when a property is not fully occupied, if rental rates decrease or if there are other circumstances that may cause a reduction in income from the property. Property taxes are especially dependent on the tax policies enacted by the Government and any withdrawal of tax benefits currently or subsequently enjoyed by us may adversely affect our business and results of operation. Generally, while the terms of the leases allow the Asset SPVs/Target SPVs to charge tenants for all or a portion of expenses enumerated above, the Asset SPVs/Target SPVs may not be able to recover such expenses from all tenants. Additionally, new properties that may be acquired or redeveloped may not produce significant revenue immediately, and the cash flow from existing operations may be insufficient to pay the operating expenses and principal and interest on debt associated with such properties until they are fully leased.

Further, as the assets in the Expanded Portfolio age, the costs of maintenance will increase and, without significant expenditure on refurbishment, the demand for these assets and their net gross asset value may decline. Consequently, the net asset value per Unit may decline unless we incur the requisite expenditure

to successfully develop the projects under construction, undertake future development or acquire new assets such that they maintain our overall cash flows at the desired levels. The quality and design of the assets in the Expanded Portfolio have a direct influence over the demand for area in, and the rental rates of, the Expanded Portfolio. In addition, due to the fact that the assets in the Expanded Portfolio are positioned as Grade-A properties, the costs of maintenance may be higher, and the need for rebuilding or refurbishment may arise more frequently in order to maintain their market position as Grade-A properties. Our business and operations may suffer some disruption and it may not be possible to collect the full or any rental income on area affected by such renovation or redevelopment works, if such works are extensive.

**31. *The audit reports of the Statutory Auditor on the Consolidated Financial Statements for Financial Years 2023 and 2022 and the Special Purpose Condensed Combined Financial Statements for the Financial Year 2021 include certain emphasis of matters.***

The audit reports of the Statutory Auditors on the Consolidated Financial Statements for the Financial Years 2023 and 2022 and the Special Purpose Condensed Combined Financial Statements for the Financial Year 2021 contain emphasis of matters relating to the presentation of Unit Capital and Equity to comply with the REIT Regulations, as summarized below:

The Brookfield REIT has only one class of Units. Each Unit represents an undivided beneficial interest in the Brookfield REIT. Each holder of Units is entitled to one vote per unit.

Under the provisions of the REIT Regulations, Brookfield REIT is required to distribute to Unitholders not less than 90% of the NDCF for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Brookfield India REIT to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 – Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated in the Condensed Consolidated Financial Statements December 29, 2016 and No. CIR/IMD/DF/141/2016 dated December 26, 2016) issued under the REIT Regulations, the Unit Capital has been presented in the Condensed Consolidated Financial Statements as Equity in order to comply with the requirements of the SEBI Circular dated December 26, 2016 dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

Investors should consider these matters while evaluating our financial position, results of operations and cash flows. For further details of the qualification and emphasis of matters, see "*Financial Information*" on page 247.

**32. *The resurgence of the COVID-19 pandemic may affect our business and operations in the future.***

The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial and real estate markets. In the past, as a result of the implementation of lockdowns and other restrictive measures in response to the spread of the COVID-19 pandemic by the Government of India, the Indian economy, including the real estate sector, faced significant disruptions. This led to disruptions in our operations for certain periods. For instance, some of our tenants sought deferrals on their rental payments and lease commencement dates for new leases, or prematurely terminated the lease agreements in a limited number of cases. Further, our Manager provided rent waivers to amenity and food and beverage tenants. In addition, we had reduced our common area maintenance cost during the Financial Years 2022 and 2021, which had resulted in cost savings for our tenants. Further, certain tenants at our office parks had limited the number of their operating staff and hours, while others announced 'work-from-home' measures. Since then, a significant portion of our tenants have returned to work from the office parks. Notwithstanding their return to the office parks, many of our tenants retain flexible work arrangements and reduced numbers of days of work from the offices, and have down-sized their office spaces through arrangements such as hot-desking. Changes to the occupancy at our Expanded Portfolio will affect our income from operating lease rentals and maintenance services.

The resurgence of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

Further, COVID-19 may also have the effect of exacerbating many of the other risks described in this “Risk Factors” section. For further details, see “Management’s Discussion and Analysis of Factors Affecting Financial Condition and Results of Operations – Significant Factors affecting our Results of Operations and Financial Condition” beginning on page 270.

**33. *Inability to lease the vacant portions of Candor Techspace G1 and SDPL Noida after their respective income support periods, or the termination of the respective income support agreements, may adversely affect our revenue from operations.***

Pursuant to the G1 Income Support Agreement, MIOP has agreed to provide funds in the form of Income Support to G1 SPV, for eligible areas, as described in the G1 Income Support Agreement, on a quarterly basis from the commencement date as defined under the Income Support Agreement until the expiry of two years from such date, for an amount not exceeding ₹2,000 million. The specified rate for the payment of Income Support will comprise the warm shell rent of the vacancies identified from time to time and the share of the fixed maintenance fees of such vacancies payable by tenants and licensees for the common area operations and maintenance of Candor Techspace G1.

Further, pursuant to the N2 Income Support Agreement, MIOP has agreed to provide funds in the form of Income Support to SDPL Noida, for eligible areas, as described in the N2 Income Support Agreement, on a quarterly basis commencing from January 1, 2022, until March 31, 2024, for an amount not exceeding ₹1,500 million.

If we are unable to lease the vacant areas at Candor Techspace G1 and SDPL Noida by the end of the respective income support periods, or in the event of termination of the respective income support agreements, the unavailability of the income support will result in a decline in our cashflows and net distributable cash flows and will adversely affect our revenue from operations and ability to make distributions to unitholders. See also “The Acquisition Transactions – Key Terms of G1 Acquisition Agreements – G1 Income Support Agreement” and “Management Framework – SDPL Noida Income Support Agreement” on pages 214 and 233.

**34. *This Preliminary Placement Document contains information from the industry report which have been commissioned by our Manager from C&W in relation to the Issue. Our Manager cannot assure you that the statistical, financial and other industry information in the industry report is either complete or accurate.***

The information in the section “Industry Overview” beginning on page 95 and in certain other sections in this Preliminary Placement Document is based on the report titled “India Commercial Real Estate Overview”, issued on July 10, 2023, prepared by C&W. Our Manager commissioned this report for the purpose of inclusion of industry information in Preliminary Placement Document. Further, the report has been prepared based on information as of specific dates and may no longer be current or reflect current trends. Also, opinions in the report are based on estimates, projections, forecasts and assumptions and may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

**35. *In case our Asset SPVs or Target SPVs are unable to obtain, maintain or renew required regulatory approvals and permits in a timely manner or at all, our business, results of operations and financial condition may be adversely affected.***

In order to operate their respective businesses, our Asset SPVs and Target SPVs require various approvals, licenses, registrations and permissions from the government, local bodies and other regulators. Regulatory approvals are generally subject to ongoing terms and conditions, and a failure to comply with these terms and conditions may result in an interruption of the operations of our Asset SPVs and Target SPVs, which may have an adverse effect on our business, results of operations, financial condition and trading price of the Units. Our Asset SPVs and Target SPVs may also encounter difficulties in fulfilling the conditions precedent and conditions subsequent to the existing approvals or any approvals that may be required in the future. With respect to the construction and operation of certain buildings forming a part of the Expanded Portfolio, our Asset SPVs and Target SPVs may not have obtained valid approvals from relevant authorities or there may be approvals which have expired and are subject to renewal on an ongoing basis. For example, the validity period of the consent to establish as well as the environment clearance with respect to Candor Techspace K1 had expired while there were certain towers under

construction in the past. Candor Kolkata has subsequently applied for a renewal of the environment clearance and will make an application to renew the consent to establish post receipt of the environment clearance. While Candor Kolkata has not received any notice from relevant authorities in this regard, regulatory action may be taken against it for undertaking construction of towers without a valid environmental clearance and consent to establish. Our Manager cannot assure you that such approvals will be granted in a timely manner or at all by the authorities.

Certain of the assets in the Expanded Portfolio are also currently under-construction and require regulatory approvals before any occupation by tenants and there may be delays on the part of the administrative bodies in reviewing applications and granting approvals. Further, for certain towers/units in the Current Portfolio, our Asset SPVs are in the process of obtaining complete occupancy certificates and will not be classified as 'completed' assets under the REIT Regulations unless such occupancy certificates are obtained. In addition, there may be certain approvals such as fire NOCs which are required to be renewed on an ongoing basis by our Asset SPVs. If our Asset SPVs fail to obtain or renew, or experience delays in obtaining or renewing, the requisite governmental approvals, or if any approvals are suspended or revoked, the schedule of development and consequently the potential income from the resultant assets, could be disrupted or impeded.

The approvals issued to our Asset SPVs may be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action, which could have an adverse effect on our business, results of operations and financial condition.

**36. *The majority of the assets in the Expanded Portfolio are located on land notified as SEZs and a few are registered as private IT parks and the relevant Asset SPVs and Target SPVs are required to comply with the SEZ Act and the rules made thereunder along with their respective conditions of registration as private IT parks.***

Kensington, SDPL Noida, Candor Techspace G2 and a significant portion of the land on which Candor Techspace K1 is located are on land notified as SEZ and are required to comply with SEZ related rules and regulations. The SEZ Act and rules require Asset SPVs and Target SPVs to lease units to tenants possessing a valid letter of approval from the SEZ authorities. Our Manager cannot assure you that letters of approval for all existing tenants will be renewed from time to time as required under the SEZ Act in the future. For example, Candor Gurgaon Two Developers & Projects Private (subsequently merged into Candor Kolkata with effect from May 4, 2020) in July 2018 filed a civil suit against one of its tenants, along with another party, alleging operation of business on the leased premises at Candor Techspace G2 without the letter of approval due to its cancellation and sought, among other things, permanent injunction against the tenants from carrying out any business at the leased premises, repossession of the leased premises and recovery of outstanding rent. However, the tenant was granted temporary injunctive relief and allowed to operate its business from the leased premises, subject to payment of utility bills, which were not paid by the tenant. The premises are currently lying unused.

Additionally, we have filed applications to the Ministry of Commerce and Industry seeking approval for setting up special economic zones over certain additional land parcels on Candor Techspace G2. Our Manager cannot assure you that the requisite approval will be granted in a timely manner or at all by the concerned authority.

Further, such letters of approvals expire in the ordinary course of business and are subject to periodic renewals. Our Manager cannot assure you that such letters of approvals will be renewed by the tenants in a timely manner or at all. Our Asset SPVs and Target SPVs could be deemed to be in breach of terms of the SEZ approvals for leasing units to tenants who do not have a valid approval.

Further, from time to time, the Ministry of Commerce and Industry prescribes certain restrictions and conditions for SEZs, including restrictions on transfers of land and changes in shareholding. Failure to comply with the relevant restrictions and conditions could result in de-notification of the SEZ status of the underlying land or imposition of penalties, which could adversely affect our business, results of operations and cash flows.

Additionally, the permanent registration obtained by Festus from the DoI for a private IT Park at Kensington requires Festus to intimate and obtain an approval from the DoI for any change in its management. Failure to comply with such restriction could result in cancellation of the registration and imposition of penalties on Festus, which could adversely affect our business, results of operations and

cash flows.

- 37. *Our Manager and the Operational Services Provider utilize the services of certain third-party operators to manage and operate the Current Portfolio and will engage similar operators for the Expanded Portfolio. Any deficiency or interruption in their services may adversely affect our business.***

Our Manager and the Operational Services Provider utilize and depend on the services of certain third-party operators for the operation of the Current Portfolio. They may also engage similar third-party operators for the operation of the Expanded Portfolio. These include services provided by accountants, facilities managers, architects, technical consultants and contractors. These service providers may further sub-contract some of the tasks assigned to them and although our Manager and the Operational Services Provider are required to assist and oversee the work done by such consultants and contractors, they have limited or no control over the services provided by such third parties. For details, see “*Management Framework*” beginning on page 224.

Our Manager also relies on third-party service providers for certain aspects of our business, including for certain information systems and technology. Any interruption or deterioration in the performance of these third parties, failures of their information systems and technology, or termination of these arrangements or other problems in the relationship with these third parties, could impair the quality of operations and adversely affect our reputation, operations and business.

- 38. *The title and development rights or other interests over land on which the Expanded Portfolio is located may be subject to legal uncertainties and defects which may have an adverse effect on our ability to own the assets and result in us incurring costs to remedy and cure such defects.***

The Asset SPVs and Target SPVs were initially acquired by Brookfield from third parties and the rights or title in respect of these lands may be adversely affected by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property’s chain of title, unregistered encumbrances in favor of third parties, irregularities in the process followed by the land development authorities and other third parties who acquired the land or conveyed the land in favor of Asset SPVs and Target SPVs or irregularities in the process of mutation of the land records in favor of our Asset SPVs and Target SPVs, rights of adverse possessors, ownership claims of successors of prior owners, and irregularities or mismatches in record-keeping, non-issuance of public notice prior to acquisition, the absence of conveyance by all right holders, ownership claims of family members or co-owners or prior owners or other defects that our Manager may not be aware of. For example, Candor Techspace G2 is situated on land owned by a third party and the development and construction of buildings on Candor Techspace G2’s land is governed by the G2 Co-Development Agreement. For further details in relation to the key terms of the joint development arrangement, see “*Our Business and Properties*”. For details on risks relating to such association, please see “*– If our Manager is unable to maintain relationships with other stakeholders in the Expanded Portfolio, our results of operation and financial condition may be adversely affected*” on page 55. While our Manager conducts due diligence and assesses land prior to acquisition of such land or interest in such land, obtaining title guarantees in India is challenging as title records provide only for presumptive rather than guaranteed title of the land. As such, these defects or irregularities may not be fully identified or assessed.

Additionally, property records in India have not been fully computerized and are generally maintained manually with physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining property records and/or materially impact the ability to rely on them. Further, certain original title documents with respect to Kensington are not available with Festus and we have relied on the copies of such documents for our review and diligence.

Kensington is situated on a larger land area that was formed pursuant to amalgamation and sub-division of individual parcels of land which comprise of both leasehold and freehold land. Further, post such process of land divisions and consolidation, the survey and revenue boundaries were merged and extinguished into fresh boundaries, without any demarcation of freehold or leasehold portion.

As a result, our Asset SPVs and Target SPVs’ title over the land that is part of the Expanded Portfolio in which we may invest may not be clear or may be in doubt.

Candor Techspace N1 and Candor Techspace N2 are located on land leased from NOIDA. While it may



have validly obtained such land on lease from NOIDA, our Manager cannot assure you that the prior acquisition of land by NOIDA will not be questioned.

Legal disputes in respect of land title in India can take several years and can entail considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If such disputes are not resolved between our Asset SPVs and Target SPVs and the claimants and an adverse order is passed in respect thereof, our Asset SPVs and Target SPVs may either lose their interest in the disputed land or may be restricted from further development thereon.

Further, we have not obtained title insurance to guarantee our title rights in respect of land forming part of our Current Portfolio. The absence of title insurance, together with the challenges involved in verifying title to land, may increase our exposure to third-party claims to such land. As a result, the uncertainty of title to land makes acquisition and development projects more complex and may impede the transfer of title, expose us to legal disputes and adversely affect the valuation of the land involved. In addition, our Asset SPVs and Target SPVs may also face the risk of illegal encroachments on the land parcels owned by it or over which it has development rights. We may be required to incur additional costs and face delays in its project development schedule in order to clear such encroachments.

**39. *We are exposed to a variety of risks associated with safety, security and crisis management.***

We and our Manager are committed to ensuring the safety and security of our employees and assets, as well as those of our tenants. However, extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, natural disasters or other widespread health emergencies that could create economic and financial disruptions, fraud, pandemics, fire and day-to-day accidents, sexual harassment at the workplace and petty crimes could affect the tenants in the Expanded Portfolio, cause loss of life, sickness, injury, substantial damage to or destruction of property and equipment resulting in the suspension of tenant operations and result in compensation claims, fines from regulatory bodies, litigation and affect our reputation. In addition, physical damage to any of the assets in the Expanded Portfolio resulting from any of the foregoing may impose unbudgeted costs on us and have an adverse impact on our results of operations and financial condition and ability of our Manager to make distributions to the Unitholders.

We may also rely upon contract labor in relation to the development work undertaken at the under-construction properties. Our Asset SPVs and Target SPVs or our Manager may (as principal employers) become liable to persons working at the premises in case of any accidental death or grievous injury. Any of the foregoing could subject us to litigation, which may increase the expenses, if found liable, and could adversely affect our reputation and cause a loss of consumer confidence in our business.

**40. *Our Manager may not be able to successfully meet working capital or capital expenditure requirements of the Expanded Portfolio.***

Under the REIT Regulations, our Manager is required to distribute at least 90% of the NDCF to the Unitholders not less than once every six months in every financial year. However, in accordance with our distribution policy, such distributions are required to be declared not less than once every quarter in every financial year. For details of our distribution policy, see “*Distribution*” beginning on page 306. Due to these distribution requirements, our Manager may not be able to fund future capital needs, including any necessary acquisition financing, from our operating cash flows.

The Expanded Portfolio may periodically require capital expenditure for refurbishments, renovations and improvements which may exceed current estimates and our Manager may not be able to secure financing for such capital expenditure, in a timely manner, or at all. In addition, our Manager also requires financing for completion of the Under Construction Area and Future Development Potential. For example, our planned capital expenditure as of March 31, 2023 was ₹2,623 million, primarily towards upgrade and construction activities for Candor Kolkata (for Candor Techspace G2 and Candor Techspace K1), Festus (for Kensington), SPPL Noida (for Candor Techspace N1) and SDPL Noida (for Candor Techspace N2). The ability of our Manager to raise financing is dependent on its ability to raise capital through fresh issue of Units, raise debt on acceptable terms or through other means of funding permitted under the REIT Regulations and the extant foreign exchange regulations. The availability of funding for real estate development is influenced by several factors including general macroeconomic conditions, lending policies of financial institutions, demand for commercial real estate and rental and occupancy rates in the relevant markets. If we are unable to obtain adequate funding, our business and results of operations may

be adversely affected.

Further, the ability of our Manager to raise additional debt is subject to our aggregate consolidated borrowings and deferred payments and the Asset SPVs and Target SPVs not exceeding 49% of the value of our assets, as required under the REIT Regulations and also set out in the policy on borrowings framed under the REIT Regulations. For details on our borrowing policy, see “*Leverage and Capitalization*” beginning on page 309. In addition, the financing of real estate projects and real estate business is subject to extensive regulation and supervision resulting in limited fund-raising options available to us.

We may also be constrained in our ability to grant security over its land parcels and over the shares of our Asset SPVs and Target SPVs in favor of our creditors. For example, in order to create a mortgage over land leased for SPPL Noida and SDPL Noida, we require consent of NOIDA. Further, Candor Kolkata will not be able to create security over the land parcel on which Candor Techspace G2 is situated, as it is owned by a third-party. Similarly, the prior consent of NOIDA and the BoA, as applicable, will be required upon exercise of a security interest over shares in our Asset SPVs and Target SPVs if invocation of such security interest will result in a change of control. Consequently, this may adversely affect our ability to raise debt financing which may in turn adversely affect our business and results of operations.

Further, debt raised by us may not be invested in our Asset SPVs and Target SPVs owing to regulatory restrictions. For example, as we would be considered a foreign owned and controlled entity under the extant foreign exchange regulations, we will not be permitted to leverage funds from the domestic market in order to make downstream investments.

**41. *We do not own the trademark or logo for the “Brookfield India Real Estate Trust” or “Brookfield India REIT” and hence our inability to use or protect these intellectual property rights may have an adverse effect on our business and results of operations.***

We do not own the trademark or logo for the “*Brookfield India Real Estate Trust*” or “*Brookfield India REIT*”. Brookfield Office Properties Inc., a corporation organized under the laws of Canada and part of the Brookfield Group, has pursuant to the Trade-mark Sublicense Agreement, granted a worldwide, non-exclusive, non-transferable and royalty-free right to the Brookfield REIT, our Manager (in its capacity as the manager of the Brookfield REIT), the Portfolio Companies as well as any other “special purpose vehicle” or “holdco/ holding company” as defined under the REIT Regulations or investment made by the Brookfield REIT under Regulation 18(5) of the REIT Regulations, to the licensed use of these trademarks and logos, amongst others. Applications for registration of the trademark and logo have been made by Brookfield Office Properties Inc. with the Registrar of Trademarks, the Office of the Trademarks Registry. Under the Trade-mark Sublicense Agreement, this right can be terminated under certain circumstances, including (i) the Brookfield Group ceasing to control our Manager; or (ii) termination of the Investment Management Agreement. For further details on the Trade-mark Sublicense Agreement, see “*Management Framework*” beginning on page 224.

Our Manager cannot assure you that we will continue to have uninterrupted use of these trademarks and logos. Upon termination of the Trade-mark Sublicense Agreement, we will be required to discontinue the use of the trademarks and logos. Loss of the rights to use the trademarks and the logos may affect our business and operations.

Further, as some of the trademarks for “*Brookfield India Real Estate Trust*” and “*Brookfield India REIT*” are pending registration, our Manager may not be able to prevent infringement of the trademark, and a passing off action may not provide sufficient protection. Accordingly, we may be required to litigate to protect the trademark and logo, which could be time consuming and expensive and may adversely affect our business and results of operations.

**42. *We operate in a competitive environment and increased competitive pressure could adversely affect our business and the ability of our Manager to execute our growth strategy.***

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 adversely affect the ability of our Manager to lease the buildings in the Expanded Portfolio. Continued development by other market participants could result in saturation of the real estate market which could adversely affect our revenues

from commercial operations, business, results of operations and financial condition.

**43. *CIOP is not an Asset SPV under the REIT Regulations and as such it is not required to comply with the mandatory distribution requirements under the REIT Regulations.***

We own 100% of the equity shares of CIOP and this investment is classified as a portfolio investment in unlisted equity shares of a company under Regulation 18(5)(da) of the REIT Regulations. CIOP is not a special purpose vehicle as defined under the REIT Regulations, and accordingly the distribution conditions, or any other compliance requirements which are applicable to Asset SPVs under the REIT Regulations, are not mandatorily applicable to CIOP.

**44. *There are outstanding litigation proceedings involving our Asset SPVs and Target SPVs, which may adversely affect our financial condition.***

Our Asset SPVs and Target SPVs are currently involved in certain legal proceedings that are pending at different levels of adjudication before various courts, tribunals and appellate authorities in India. If any new developments arise, for example, a change in Indian law or rulings against our Asset SPVs and Target SPVs by the courts, tribunals or appellate authorities, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and liabilities. Adverse decisions in such proceedings may have an adverse effect on our business and financial condition. Details of these legal proceedings are set out below:

Name	Number	Amount involved to the extent quantifiable (₹ in millions)
<b>Brookfield REIT and our Portfolio Companies</b>		
Tax proceedings	54	2,102.75
<b>Target SPVs</b>		
Tax proceedings	20	282.46

For further details of these legal proceedings, see “*Legal and Other Information*” beginning on page 351.

**45. *We may be subject to the Competition Act, which may require us to receive approvals from the CCI prior to undertaking certain transactions in the future.***

The Competition Act, 2002, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. In the event that that any of the assets proposed to be acquired by us in the future cross the prescribed thresholds, our Manager cannot assure you that we will receive the necessary approvals from the CCI to consummate such transactions. Any prohibition or substantial penalties levied under the Competition Act could adversely affect our results of operations and financial condition, which in turn may affect the ability of our Manager to make distributions to the Unitholders.

**46. *We may not be able to maintain adequate insurance to cover all losses that we may incur.***

As of March 31, 2023, the aggregate coverage under insurance policies obtained by us for the Asset SPVs was ₹76,676 million. Our Manager maintains insurance cover on the properties and equipment in the Current Portfolio in amounts believed to be consistent with the industry practice. Our insurance policies cover physical loss or damage to the property arising from a number of specified risks including burglary, housebreaking, loss or damage due to fire, earthquakes and other perils. Directors’ and officers’ liability insurance is also maintained for all directors and officers of our Asset SPVs. Despite the insurance coverage, we may not be fully insured against some business risks and the occurrence of accidents that cause losses in excess of limits specified under the concerned policies, or losses arising from events not covered by the insurance policies, which could adversely affect our business and results of operations. For example, we may incur a loss of revenue on account of pandemics such as COVID-19, and such loss may not be covered by our insurance policies. Further, if a fire or natural disaster substantially damages or destroys some or all of the assets in the Expanded Portfolio, the proceeds of any insurance claim may be insufficient to cover any expenses faced by us, including rebuilding costs.

In addition, our insurance policies expire from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. Additionally, in the future, we will be required to bear increased premiums for our insurance to provide coverage for pandemics such as COVID-19, if such coverage is provided by the insurers. For some of our insurance policies, our Manager may not have added a third-party as beneficiary or taken the approval of such third parties for availing such insurance as required by regulations or contractual obligations, which may have an effect on the amount of insurance claim to be paid out. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where the insurance claims are rejected or where our insurance policies are not renewed, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

**47. *Lease agreements with some of the tenants in the Expanded Portfolio may not be adequately stamped or registered, and consequently, our Manager may be unable to successfully litigate over such deeds in the future and penalties may be imposed on us.***

Certain lease agreements of our Asset SPVs and Target SPVs may not be adequately stamped or registered. In respect of certain other lease agreements which expire in the ordinary course, our Manager is in the process of renewing, stamping or registering them. While failure to adequately stamp a document may not affect the validity of the underlying transaction, it may render the document inadmissible as evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to the use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

**48. *Our business may be adversely affected by the illiquidity of real estate investments.***

Real estate investments are relatively illiquid and such illiquidity may affect the ability of our Manager to alter our investment portfolio or liquidate part of our Asset SPVs and Target SPVs. Further, under the REIT Regulations, a REIT is required to hold assets acquired by it for a period of three years from the date of purchase and in case of under-construction properties or under-construction portions of existing properties acquired by it, three years from the date of their completion. Further, any sale of property or shares of our Asset SPVs and Target SPVs exceeding 10% of the value of our assets will require prior approval of the Unitholders which may affect the ability of our Manager to vary the investment portfolio or liquidate part of the Expanded Portfolio in response to changes in economic, real estate market or other conditions. Further, investments made by a REIT, whose sponsor or manager is not Indian owned and controlled, such as ours, in the construction and development sector are subject to certain conditions, under the extant foreign exchange regulations.

We may also face difficulties in securing timely and commercially favorable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on our results of operations and financial condition, with a consequential adverse effect on the ability of our Manager to deliver expected distributions to Unitholders.

**49. *Security and IT risks may disrupt our business, result in losses or limit our growth.***

IT systems are an important part of our business and these are utilized to support business processes including property management, financial, accounting, communications and other data processing systems of our Manager, our Asset SPVs and Target SPVs and the service providers from whom our Asset SPVs and Target SPVs or Manager avail such services. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are, from time to time, subject to cyberattacks and security breaches, which may continue to increase in frequency in the future. Breaches of the network security systems could involve attacks that are intended to obtain unauthorized access to our proprietary information, including the data pertaining to the tenants or employees or destroy data or disable, degrade or sabotage the systems and could originate from a wide variety of sources, including unknown third parties outside the firm. If such systems are compromised, do not operate properly or are disabled, we could suffer a financial loss, disruption in business and reputational damage. Additionally, we may also face penalties and/or loss of concession in case of non-compliance with the IT policy, of the relevant state, by the tenants occupying

the premises in the office parks.

In addition, we are dependent on information systems and technology. The information systems and technology may not continue to be able to accommodate the growth in our business and the cost of maintaining such systems may increase in the future, including on account of the prolonged impact of the COVID-19 pandemic. Failure to accommodate growth, or an increase in costs related to such systems, could have an adverse effect on our business.

**50. *We may be required to record significant charges to earnings in the future upon review of the Expanded Portfolio for potential impairment.***

As per the Indian Accounting Standard (Ind AS) 36: Impairment of Assets, we are required to assess (at the end of each reporting period) whether there is any indication that an asset may be impaired. If any such indication exists, we are required to estimate the recoverable amount of the asset and record impairment loss when the carrying value is higher than the recoverable amount of the asset to ensure that the assets are carried at no more than their recoverable amount. If the carrying amount of an asset exceeds the amount to be recovered through the use or sale of the asset, the asset is described as impaired and an impairment loss is recognized. Various uncertainties, including deterioration in global economic conditions that result in upward changes in cost of capital, increases in cost of completion of such assets and the occurrence of natural disasters that impact our assets, could impact expected cash flows to be generated by such assets, and may result in impairment of these assets in the future.

**51. *Land is subject to compulsory acquisition by the Government and compensation in lieu of such acquisition may be inadequate.***

The right to own a property in India is subject to restrictions that may be imposed by the Government. In particular, the Government, under the provisions of the Land Acquisition Act, has the right to compulsorily acquire any land if such acquisition is for a “public purpose” in lieu of compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such acquisitions may increase as central and state Governments seek to acquire land for the development of infrastructure projects such as roads, metros, railways, airports and townships. Additionally, our Manager may face difficulties in interpreting and complying with the provisions of the Land Acquisition Act due to limited jurisprudence on them or if the interpretation of our Manager differs from or contradicts any judicial pronouncements or clarifications issued by the Government. In the future, we may face regulatory actions or may be required to undertake remedial steps. Any such action in respect of any of the projects in which it is investing or may invest in the future may adversely affect our business, financial condition and results of operations.

**52. *There may be conflict of interests between the Lead Managers, their respective associates or affiliates and our Asset SPVs, our Manager, the Trustee, Sponsor, Sponsor Group, or their respective associates or affiliates.***

Certain Lead Managers, their associates or affiliates are currently tenants, or may have been tenants in the past of our Asset SPVs and may continue to provide investment banking, financial, advisory or other services to our Asset SPVs, our Manager, Sponsor, Sponsor Group, their associates or affiliates. The Lead Managers, their associates or affiliates may also participate (including as arrangers) in financing arrangements by us. In addition, in the ordinary course of their commercial banking and investment banking activities, the Lead Managers, their respective associates or affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities or Units, or related derivative instruments, of the Brookfield REIT, our Asset SPVs, our Manager, Sponsor, Sponsor Group, any of their respective group companies, associates or affiliates. The Trustee, Axis Trustee Services Limited, is also an associate of Axis Capital Limited, one of the Lead Managers. The transactions referred to above, may influence our Manager’s decisions regarding whether to undertake certain transactions with the Lead Managers, their associates or affiliates.

**Risks Related to the Relationships with our Sponsor and our Manager**

**53. *Our Sponsor may cease to act as our sponsor in the future.***

Our Sponsor holds 16.2% of the total issued and outstanding Units of the Brookfield REIT, and is our

sole sponsor. The Sponsor Group holds 53.7% of the total issued and outstanding Units of the Brookfield REIT. Under the REIT Regulations, the sponsor and sponsor group of a REIT are required to hold 25% of the units of the REIT, on a post-initial public offering basis, for a period of three years from listing and the sponsor is required to, at all times, hold at least 5% of the units of the REIT. In the event that the Sponsor is not able to comply with the unitholding requirements prescribed under the REIT Regulations for reasons including, among others, any future dilutive events such as issuance of fresh units pursuant to an institutional placement or preferential allotment, invocation of encumbrance over the units of the Sponsor and Sponsor Group, or on account of issuance of Units to a third party contributing assets to us in lieu of Units, we will be required to designate such additional entities to act as our sponsor or sponsor group, in order to ensure compliance with the lock-in Unitholding requirements prescribed under the REIT Regulations. Further, our Sponsor Group may also decide to sell some or all of its Unitholding after the expiry of the mandatory lock-in period prescribed under the REIT Regulations. Our Manager cannot assure you that we will be able to identify and designate an eligible sponsor group entity for the Brookfield REIT in the manner set out above, which may result in regulatory action against our Sponsor, our Manager or us under the REIT Regulations.

- 54. *We and parties associated with us are required to adhere to the eligibility conditions specified under Regulation 4 of the REIT Regulations as well as the certificate of registration on an ongoing basis. We may not be able to ensure such ongoing compliance by our Sponsor, our Manager and the Trustee, which could result in the cancellation of our registration.***

We are required to adhere to the eligibility conditions specified under Regulation 4 of the REIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsor, Manager and the Trustee must be separate entities, (b) the Sponsor is required to have a net worth of not less than ₹1,000 million. Our Manager must have net worth of value of not less than ₹100 million (d) the Trustee must be registered with SEBI under SEBI Debenture Trustee Regulations and must not be an associate of the Sponsor or Manager, and (e) each of the Sponsor and the Sponsor Group, Manager, and the Trustee must be “fit and proper persons” as defined under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations 2008 on an ongoing basis. As per the provisions of the REIT Regulations, the sponsor and the manager either directly or through their respective associate(s) are required to have not less than five years of experience in providing certain services such as development of real estate or fund management. The Sponsor and Manager have both relied on Brookfield Corporation to meet their respective eligibility requirements of having not less than five years’ experience in fund management in the real estate industry, and in the event of their inability to rely on the experience of Brookfield Corporation for any reason, the Sponsor and our Manager may not continue to be eligible to act as a sponsor and a manager, respectively. The Brookfield Property Group carries out investments, directly and indirectly, through Brookfield Property Partners L.P. and private funds, including its flagship real estate funds in the Brookfield Strategic Real Estate Partners series. Brookfield Corporation acts, directly or indirectly, as the asset manager to all the public listed vehicles and private funds in the Brookfield Group. For further details on the past experience of Brookfield Corporation, please see “*Background of the Brookfield REIT – Parties to the Brookfield REIT*” beginning on page 82. We may not be able to ensure such ongoing compliance by our Sponsor, Sponsor Group, our Manager and the Trustee, which could result in the cancellation of its registration.

- 55. *Our Sponsor and Sponsor Group exercise significant influence over certain of our activities and the interests of our Sponsor and Sponsor Group may conflict with the interests of other Unitholders.***

Our Sponsor and Sponsor Group own a majority of the issued and outstanding Units and each of them is entitled to vote severally as Unitholders on all matters other than matters where there are related party restrictions (in respect of which such parties are not permitted to vote under the REIT Regulations). Further, members of Brookfield hold 100% of the share capital of our Manager and therefore exercise control over our Manager. Our Manager also relies on our Sponsor, Sponsor Group and members of Brookfield to comply with their obligations under various agreements with us. In addition, our Manager relies on our Sponsor Group’s expertise in developing and constructing real estate projects in case of any additional work which may be required to be carried out for any of our Asset SPVs/Target SPVs or other assets. Further, any alteration of the terms of our Units, including the terms of the Issue, which may adversely affect the interest of our Unitholders, would also require an approval from the Unitholders in accordance with Regulation 22(5) of the REIT Regulations. The interests of our Sponsor and Sponsor Group may conflict with the interests of other Unitholders or with each other. See “– *Conflicts of interest may arise out of common business objectives shared by our Manager, our Sponsor, our Sponsor Group and us*” below.

**56. *Conflicts of interest may arise out of common business objectives shared by our Manager, our Sponsor, our Sponsor Group and us.***

Our Manager is owned and controlled by Brookfield. The Sponsor Group and their affiliates are engaged in a number of activities including development of commercial real estate and, therefore, may be interested in businesses, which directly compete with our activities. If these conflicts of interest are managed to our detriment, they could adversely affect our performance.

In particular, we may compete with existing and future private and public investment vehicles established and/or managed by Brookfield, which may create differing or competing interests to ours or the Unitholders. Certain of these divisions and entities have or may have an investment strategy similar to our investment strategy and therefore may compete with it. In particular, various real estate funds and other investment vehicles of Brookfield have invested or may seek to invest in a broad range of real estate investments which may be purchased by the Brookfield REIT in the future. Brookfield may also receive fees as compensation for other advisory services, including the underwriting, syndication or refinancing of an investment or other additional fees, including loan servicing fees, special servicing fees, acquisition fees and administration fees. As a result, conflicts of interest may arise in allocating or addressing business opportunities and strategies among our Manager, Brookfield and us, in circumstances where our interests differ from those of our Manager and/or Brookfield and such conflict may not necessarily be resolved in favor of the Brookfield REIT and our Unitholders.

Our Manager provides property management services to other assets held by Brookfield, which are of a similar type as the Expanded Portfolio. These assets may compete with the Expanded Portfolio to attract tenants and/or secure financing. Our Manager has adopted the policy on related party transactions and conflicts of interest to mitigate such potential conflicts of interest instances. For details on the policy, see “*Related Party Transactions*” beginning on page 235. While our strategy will be to pursue substantially stabilized real estate investment opportunities, we cannot assure you that all potentially suitable investment opportunities that come to the attention of Brookfield will be made available to us. In particular, various real estate opportunistic and other investment vehicles of Brookfield may have priority on such investment opportunities. Our Manager may, and may be required, by contract or otherwise, to market these other assets in competition with the Expanded Portfolio, which may have an adverse effect on our business, results of operations and financial condition and our Manager’s ability to make cash distributions to Unitholders.

In addition, the Trustee and/or Unitholders may not be aware of any such conflict, and even if made so aware, the Trustee and the Unitholders’ ability to recover claims against our Manager are limited. As a result, we could experience poor performance or losses for which our Manager would not be liable. See “*Our rights and the rights of our Unitholders to recover claims against our Manager or the Trustee are limited*” beginning on page 77.

We may also from time to time dispose of all or a portion of an investment by way of a third-party purchaser’s bid where member(s) of Brookfield are providing financing as part of such bid or acquisition of the investment or underlying assets thereof. Such involvement of Brookfield thereof as such a provider of debt financing in connection with the potential acquisition of assets by third parties by us may give rise to potential or actual conflicts of interest.

Further, we may be subject to potential conflicts of interest arising out of our relationship with our Sponsor, Sponsor Group and their affiliates and our Manager, and we may enter into transactions with related parties in the future and our Manager cannot assure you that such potential conflicts of interest will always be resolved in favor of the Brookfield REIT and our Unitholders. While our Manager has implemented policies for dealing with related party transactions, we cannot assure you that such policies will succeed in eliminating the influence of any potential conflicts of interest. Also, certain employees of our Manager may be subject to conflicts of interest relating to their responsibilities to us and the management of its real estate portfolio. Such individuals may also serve other real estate investments, projects and businesses of Brookfield, which could create a conflict between the services and advice provided to such entities and the responsibilities owed to us. We are also likely to enter into other related party transactions in the ordinary course of business. For more information regarding the policy in place for dealing with related party transactions and conflicts of interest and related party transactions, see “*Related Party Transactions*” beginning on page 235.

Further, properties owned by us may be leased out to tenants that are members of Brookfield. Our

Manager cannot assure you that it could not achieve more favorable terms if such transactions were not entered into with related parties. Our Manager cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business and results of operations.

**57. *We depend on our Manager and its personnel for its success. We may not find a suitable replacement for our Manager if the Investment Management Agreement is terminated or if key personnel cease to be employed by our Manager or otherwise become unavailable.***

We are managed and advised by our Manager, pursuant to the terms of the Investment Management Agreement. For details, see “*Background of the Brookfield REIT – Key terms of the Investment Management Agreement*” beginning on page 85. We cannot assure you that our Manager will remain our manager or that it will continue to retain Manager’s key personnel. If the Investment Management Agreement is terminated or if our Manager defaults in the performance of its obligations thereunder, we may be unable to contract with a substitute service provider on similar terms or at all, and the costs of substituting service providers may be substantial. In addition, our Manager is familiar with the Expanded Portfolio and, as a result, our Manager has certain synergies with us. Substitute service providers may lack such synergies and may not be able to provide the same level of service. If we cannot locate a service provider that is able to provide us with substantially similar services as our Manager provides under the Investment Management Agreement on similar terms, it could have an adverse effect on our business, results of operations and financial condition.

We rely on a small number of key personnel and core team, to carry out our business and investment strategies, and the loss of the services of any of these key personnel, or the inability of our Manager to recruit and retain qualified personnel in the future, could have an adverse effect on our business and results of operations. For further details, please see “*Our Business and Properties – Employees*”, “*The Board and Management of our Manager – Brief profiles of the key personnel of our Manager*” and “*The Board and Management of our Manager – Brief profiles of other members of the core team of our Manager*” beginning on pages 197, 222 and 223, respectively.

In addition, the implementation of our business plan may require that we employ additional qualified personnel. Competition for highly skilled managerial, investment, financial and operational personnel is intense. We cannot assure you that we or our Manager will be successful in attracting and retaining such skilled personnel. If we or our Manager are unable to hire and retain qualified personnel as required, our business and results of operations could be adversely affected.

**58. *We depend on our Manager to manage our business and assets, and our business, results of operations and financial condition could be adversely affected if our Manager fails to perform satisfactorily.***

Our Manager is required to make investment decisions in respect of the underlying assets including any further investment or divestment of assets. For further details, see “*Background of the Brookfield REIT*” beginning on page 78.

We cannot assure you that our Manager will be able to implement our investment decisions successfully or that we will be able to expand the Expanded Portfolio at any specified rate or to any specified size or to maintain distributions at projected levels. Our Manager may not be able to make acquisitions or investments on favorable terms or within a desired time frame, and it may not be able to manage the operations of the underlying assets in a profitable manner. Factors that may affect this risk may include, competition for assets, changes in the Indian regulatory or legal environment or macro-economic conditions. Even if our Manager is able to successfully grow the business of the underlying assets and acquire further assets as desired, we cannot assure you that our Manager will be able to achieve the intended return on such acquisitions or capital investments. Also, past performance of other investments managed or advised by our Manager or the key personnel of our Manager cannot be relied upon as an indicator of our future performance.

Additionally, there exists the risk that the REIT Management Fees payable to our Manager may not create proper incentives or may induce our Manager to make certain investments, including speculative investments that increase the risk of the Expanded Portfolio.

Our Manager may delegate certain functions to third parties. Should our Manager, or any third party to whom our Manager has delegated its functions, fail to perform its services, the value of our assets might be adversely affected and this may result in a loss of tenants, which could adversely affect our business,



results of operations and financial condition.

## **Risks Related to India**

**59. *Our business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have an adverse effect on our business, results of operations, financial condition and the price of our Units.***

Our Manager and we are registered in India, and our Expanded Portfolio is located in India. As a result, we are highly dependent on the prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in interest rates or inflation in India;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India;
- any downgrading of India's sovereign debt;
- prevailing income, consumption and savings conditions among consumers and corporations in India;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries, such as the COVID-19 pandemic;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's various neighbouring countries;
- the occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions;
- balance of trade movements, including export demand and movements in key imports, including oil and oil products;
- other significant regulatory, policy or economic developments in or affecting India or its real estate sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could have an adverse effect on our business, results of operations, financial condition and the price of our Units.

Furthermore, the Indian economy and Indian financial markets are influenced by economic and market conditions in other countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in past years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of entities in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our results of operations and financial condition.

**60. *Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to your assessment of our results of operations, financial condition and cash flows.***

The Special Purpose Condensed Combined Financial Statements and Consolidated Financial Statements are prepared and presented in conformity with Ind AS, consistently applied during the periods stated in those reports. Ind AS differs from accounting principles with which persons from other countries may be familiar, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Special Purpose Condensed Combined Financial Statements and Consolidated Financial Statements included in this Preliminary Placement Document provide meaningful information is entirely dependent on your level of familiarity with Indian accounting practices.

Ind AS has certain differences with IFRS and U.S. GAAP. In addition, as the transition to Ind AS is recent, there is no significant body of established practice that we can draw on, in forming judgments regarding the implementation and application of Ind AS, as compared to other established principles generally, or in respect of specific industries, such as the industry in which we operate.

**61. *Any downgrading of India's sovereign debt rating by a domestic or international rating agency could adversely affect our ability to obtain financing and, in turn, adversely affect our business.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and was affirmed to be BBB- with a "stable" outlook by Fitch in June 2022; and DBRS confirmed India's rating as BBB "low" in May 2022. India's sovereign rating from S&P is BBB- with a "stable" outlook. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect the ability for us to raise additional financing, and the interest rates and other commercial terms at which any such additional financing is available. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our business and ability to obtain financing and the price of the Units.

**62. *It may not be possible for Unitholders to enforce foreign judgments.***

The Brookfield REIT is settled and registered in India. The Trustee and Manager are incorporated in India. All of the Expanded Portfolio is located in India and we may, from time to time, invest in assets in India. Where investors wish to enforce foreign judgments in India, where the assets are or will be located, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including Singapore. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 ("Civil Code").

Furthermore, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. Judgments or decrees from jurisdictions not recognized as a reciprocating territory by India cannot be enforced or executed in India except through a fresh suit upon judgment. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. In addition, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. As a result, such party may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a judgment rendered by a foreign court if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. Any judgment or award in a foreign currency would be converted into rupees on the date of such judgment or award and not on the date of payment and any such amount may be subject to income tax in accordance with the applicable laws. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate outside India any amount recovered pursuant to the execution of the judgment. Consequently, it may not be

possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian trusts or companies, their directors and executive officers, and any other parties residing in India. Additionally, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

**63. *Tax laws are subject to changes and differing interpretations, which may adversely affect our operations and growth prospects.***

We are subject to a number of taxes and other levies imposed by the central and state governments in India, particularly GST, on lease of properties, as well as certain other taxes, duties or surcharges introduced on a permanent or temporary basis. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments in India may adversely affect our business, financial condition, results of operations and cash flows.

The current tax laws and regulations in India provide certain exemptions to certain distributions received by business trusts from a SPV as a result of which the business trust and subsequently the Unitholders would be subject to relatively lower tax liabilities. These exemptions could be modified or removed at any time or clarified in a manner adverse to the Unitholders, which could adversely affect our profitability and the amount available for distribution to the Unitholders.

Tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action, including by retrospective legislation, by the governmental or tax authorities, may result in tax risks in the jurisdictions in which we operate being significantly higher than expected. For example, while our Manager intends to take measures to ensure that it is in compliance with all relevant tax laws, we cannot assure you that the tax authorities will not take a position that differs from the position taken by our Manager with regard to tax treatment of various items. Any of the above events may result in an adverse effect on our business, financial condition, results of operations and/or prospects and ability to make distributions to the Unitholders. Tax authorities in India may also introduce additional or new regulations applicable to our business, which could adversely affect our business and profitability.

We may incur increased costs relating to compliance with any new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of the current business or restrict our ability to grow our business in the future.

**64. *Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.***

Any gain exceeding ₹0.1 million realized on the sale of Units held for more than 36 months will be subject to capital gains tax in India at 10% (plus applicable surcharge and cess) if STT has been paid on the transaction. Further, gains realized on the sale of Units held for 36 months or less will be subject to capital gains tax in India at 15% (plus applicable surcharge and cess) if STT is paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Units are sold. Any gain realized on the sale of the Units held for more than 36 months to an Indian resident, on which no STT has been paid, will be subject to long-term capital gains tax in India at 20% (plus applicable surcharge and cess). Further, any gain realized on the sale of Units held for a period of 36 months or less and on which STT is not paid will be subject to short-term capital gains tax in India at normal rates at which the unitholder would be subject to tax on his other incomes. Capital gains arising from the sale of the Units will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. The above statements are based on the current tax laws and subject to change as a result of the introduction of new laws or amendments to existing laws.

## Risks Related to the Ownership of the Units

- 65. *Trusts such as the Brookfield REIT may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.***

The Brookfield REIT has been set up as an irrevocable trust registered under the Registration Act and it may only be extinguished (i) upon the liquidation of the REIT assets; (ii) in the event SEBI cancels, revokes or suspends the certificate of registration that has been granted to the REIT; or (iii) in the event the REIT becomes illegal. In the event of dissolution, the net assets remaining after settlement of all liabilities, and the retention of any reserves which the Trustee deems to be necessary to discharge contingent or unforeseen liabilities, shall be paid to the Unitholders. Should we be dissolved, depending on the circumstances and the terms upon which our assets are disposed of, there is no assurance that a Unitholder will recover all or any part of his investment. There may also be uncertainty around the interpretation and implementation of certain provisions in relation to insolvency of a trust under the Insolvency and Bankruptcy Code, 2016.

- 66. *The reporting requirements and other obligations of REITs post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protections granted to the Unitholders may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India.***

The REIT Regulations, along with the SEBI Guidelines, govern the affairs of REITs in India. However, as compared to the statutory and regulatory framework governing companies that have listed their equity shares or identified debt securities upon recognized stock exchanges in India, the regulatory framework applicable to REITs is still evolving. While the REIT Regulations were notified with effect from September 26, 2014, the guidelines and procedures in relation to preferential issue and institutional placement of units by a listed real estate investment trust were notified by SEBI on November 27, 2019, amended on March 13, 2020 and September 28, 2020. SEBI has also issued a variety of other circulars including in relation to the issuance of debt securities, and rights issues by REITs, creation of encumbrance over units held by the sponsor group of a REIT and manner and mechanism of providing exit option to dissenting Unitholders.

Accordingly, the ongoing disclosures made to Unitholders under the REIT Regulations and the SEBI Guidelines may differ from those made to the shareholders of a company that has listed its equity shares or identified debt securities on a recognized stock exchange in India in accordance with the SEBI Listing Regulations.

According to the REIT Regulations, the Brookfield REIT is required to distribute not less than 90% of the net distributable cash flows each financial year to its Unitholders. If the accounting treatment of unit capital was to change from equity to liabilities to reflect the extent of such required distributions, certain line items in our financial statements may need to be modified.

The Trust Deed and various provisions of Indian law govern our operations. Legal principles relating to these matters and the validity of corporate procedures, fiduciary duties and liabilities, and the rights of the Unitholders may not be as extensive as the rights of the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India or a trust in another jurisdiction, and accordingly, the protection available to the Unitholders may be more limited than those available to such shareholders. For example, shareholders of listed companies are entitled to an exit in case of any variation in the objects of a public issue. Unitholders of a REIT do not have such a right for a public issue of Units. Additionally, extensive corporate governance norms have been prescribed for listed companies and their material subsidiaries in terms of constitution of specific board committees and board policies, which are not mandated for all REITs but only REITs that are 'high value debt listed entities' as set out under the SEBI Listing Regulations. Unitholders' rights and disclosure standards under Indian law may also differ from the laws of other countries or jurisdictions.

- 67. *Given the requirements under the REIT Regulations, it may be difficult for public Unitholders to remove the Trustee as our Sponsor Group will continue to hold a majority of the Units.***

Under the REIT Regulations, the Trustee cannot be removed without the approval of the Unitholders where the votes cast in favor of such resolution to remove the Trustee shall not be less than one and a half times of the votes cast against such resolution. Since our Sponsor Group will continue to hold a majority

of the outstanding Units after the completion of the Issue, it may be difficult for the Unitholders to remove the Trustee without the concurrence of our Sponsor Group.

**68. *Fluctuations in the exchange rate of the Indian Rupee with respect to other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.***

Fluctuations in the exchange rates between the Indian Rupee and other currencies will affect the foreign currency equivalent of the Indian Rupee price of the Units. Such fluctuations will also affect the amount that holders of the Units will receive in foreign currency upon conversion of any cash distributions or other distributions paid in Indian Rupees by us on the Units, and any proceeds paid in Indian Rupees from any sale of the Units in the secondary trading market.

**69. *Unitholders will not have the right to redeem their Units.***

Unitholders will not have the right to redeem their Units or request or require the redemption of Units while the Units are listed on the Stock Exchanges, although the Trust Deed provides that the Trustee may, on the recommendation of our Manager, redeem the Units or return capital to the Unitholders in any manner provided such redemption or return of capital is subject to the requirements of the relevant laws, regulations and guidelines imposed by authorities in India.

**70. *The Units may experience price and volume fluctuations and there may not be an active or liquid market for the Units. The price of the Units may decline after the Issue.***

The Issue Price will be determined by the Manager in consultation with the Lead Managers. The Issue Price may not be indicative of the market price of the Units upon completion of the Issue. The market price of the Units will depend on many factors, including those set forth below and others such as:

- the perceived prospects of our business and investments and the Indian real estate market;
- the differences between our actual financial and operating results and those expected by investors and analysts;
- changes in research analysts' recommendations or projections;
- the market value of our assets;
- the perceived attractiveness of the Units against those of other business trusts, equity or debt securities;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Indian REIT market;
- the ability of our Manager to implement successfully its investment, acquisition and growth strategies;
- publication of research reports about our business, other businesses, the industry in general or other relevant sectors, or the failure of securities analysts to cover the Units after the Issue;
- changes in the amounts of our distributions, if any, and changes in the distribution policy or failure to execute the existing distribution policy;
- actions by the Unitholders;
- speculation in the press or investment community;
- foreign exchange rates; and
- market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

Our Manager cannot assure you that the market price of the Units will not fluctuate or decline significantly

in the future. To the extent that we retain cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of the underlying assets, may not correspondingly increase the market price of the Units. Our failure to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price of the Units.

Where new Units are issued at less than the market price of the Units, the value of an investment in the Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in us.

In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested, in full or in part. Further, if we are extinguished or dissolved, the investors may lose a part or all of their investment in the Units.

Finally, an active or liquid public market for the Units may not be sustained. We cannot guarantee that a trading market for the Units will develop further or that there will be continued liquidity in the market for the Units. Although, it is currently intended that the Units will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Units.

**71. *Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Units or the Application Amount) after the Issue Closing Date.***

Pursuant to the REIT Regulations and SEBI Institutional Placement Guidelines, investors are required to pay the full Application Amount on submission of the Bid. Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Units or the Application Amount) after the Issue Closing Date, despite adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, or otherwise, at any stage after the submission of their Bids.

**72. *NAV per Unit may be diluted if further issues are priced below the current NAV per Unit.***

We may make fresh issuances of Units in the future, the offering price for which may be above, at or below the then current NAV per Unit. The distribution per Unit may be diluted if new Units are issued and the use of proceeds from such issue of Units generates insufficient cash flow to cover the dilution. Where new Units are issued at less than the NAV per Unit, the then current NAV of each existing Unit may also be diluted.

**73. *Any future issuance of Units by us or sales of Units by our Sponsor Group or any of other significant Unitholders may adversely affect the trading price of the Units.***

Any future issuance of Units by us could dilute the investors' holdings of Units. Any such future issuance of Units may also adversely affect the trading price of the Units, and could impact the ability of our Manager to raise further capital through an offering of the Units. We cannot assure you that we will not issue further Units. In addition, any perception by investors that such issuances by us or sales by any significant Unitholders might occur could also adversely affect the trading price of the Units. Further, we may contemplate a right issue in which Units will be offered to existing Unitholders before being offered to other investors.

The Units are tradable on the Stock Exchanges. The Sponsor and certain members of the Sponsor Group have pledged a portion of their Units. Persons and entities in addition to the Sponsor and the Sponsor Group, who hold or may hold our Units, including the third-party shareholders, may pledge or sell their Unitholding. We cannot predict if Unitholders, including the Sponsor, the Sponsor Group and other significant Unitholders, will dispose of, pledge or otherwise encumber their Units. The Sponsor, Sponsor Group and other significant Unitholders (following the lapse of the statutory lock-in period, as applicable), may sell a portion of the Units held by them, which portion may be substantial and which sale could increase the aggregate number of Units available for active trading on the Stock Exchanges. Further, secondary offerings of the Units by us, if undertaken, may also increase the aggregate number of Units being traded, which could have an adverse impact on the market price for the Units. These sales may also make it more difficult for us to raise capital through the issue of new Units at a time and at a price we deem appropriate.

In accordance with the REIT Regulations, 54,117,888 Units held by the Sponsor and 21,582,513 Units held by the Sponsor Group (other than the Sponsor), constituting 25% of the Units outstanding

immediately after the IPO of the Brookfield REIT, are locked-in until February 17, 2024. Pursuant to a preferential allotment, 8,071,368 Units held by a member of the Sponsor Group are locked in until February 1, 2025. Other than as specified herein, none of the other Units held by the Sponsor or Sponsor Group are subject to any regulatory lock-ups.

See also the section “*Placement – Lock-up*” on page 332, for a description of the lock-in arrangements entered into with the Lead Managers by the Manager (on our behalf), the Trustee (on our behalf), the Sponsor and the Sponsor Group commencing on the date of Allotment and ending 60 days from the date of this Preliminary Placement Document (both days inclusive), subject to certain exceptions.

**74. *Our rights and the rights of our Unitholders to recover claims against our Manager or the Trustee are limited.***

Under the Trust Deed, the Trustee is not liable for any of its actions or omissions, which are in good faith in accordance with, or in pursuance of any request or advice of our Manager. Additionally, the liability of the Trustee under the Trust Deed for an immediately preceding financial year is limited to the fee received by the Trustee except in case of fraud or gross negligence on the part of the Trustee, which shall be determined finally by a court of competent jurisdiction. Further, the Trustee has the right to be indemnified by us in respect of all claims, liabilities, damages and expenses, including legal fees, to which they become subject during the course of their appointment as the Trustee, provided that the action or omission giving rise to such claim, liability, damage or expense is not in material violation of the Trust Deed and does not involve any gross negligence, fraud, misconduct or violation of applicable laws on their part.

Under the Investment Management Agreement, our Manager is not liable for any of its actions or omissions done in good faith. Additionally, the liability of our Manager under the Investment Management Agreement is limited to the fee received by our Manager for the immediately preceding financial year except in case of fraud, gross negligence, wilful default or misconduct of our Manager or in cases of material breach of applicable law or provisions of the documents entered into by our Manager in relation to us including the Share Acquisition Agreements, the Trust Deed and the Investment Management Agreement. Further, our Manager and its respective officers have the right to be indemnified by the Trustee against any losses, costs, damages, liabilities, suits, proceedings and expenses, including legal fees (“**Manager’s Loss**”) incurred by them, unless our Manager’s Loss resulted from a material breach of applicable laws or the provisions of the Share Acquisition Agreements, the Trust Deed and the Investment Management Agreement, or any gross negligence, wilful default, misconduct or fraud on the part of our Manager and its officers.

## **SECTION IV: ABOUT THE BROOKFIELD REIT**

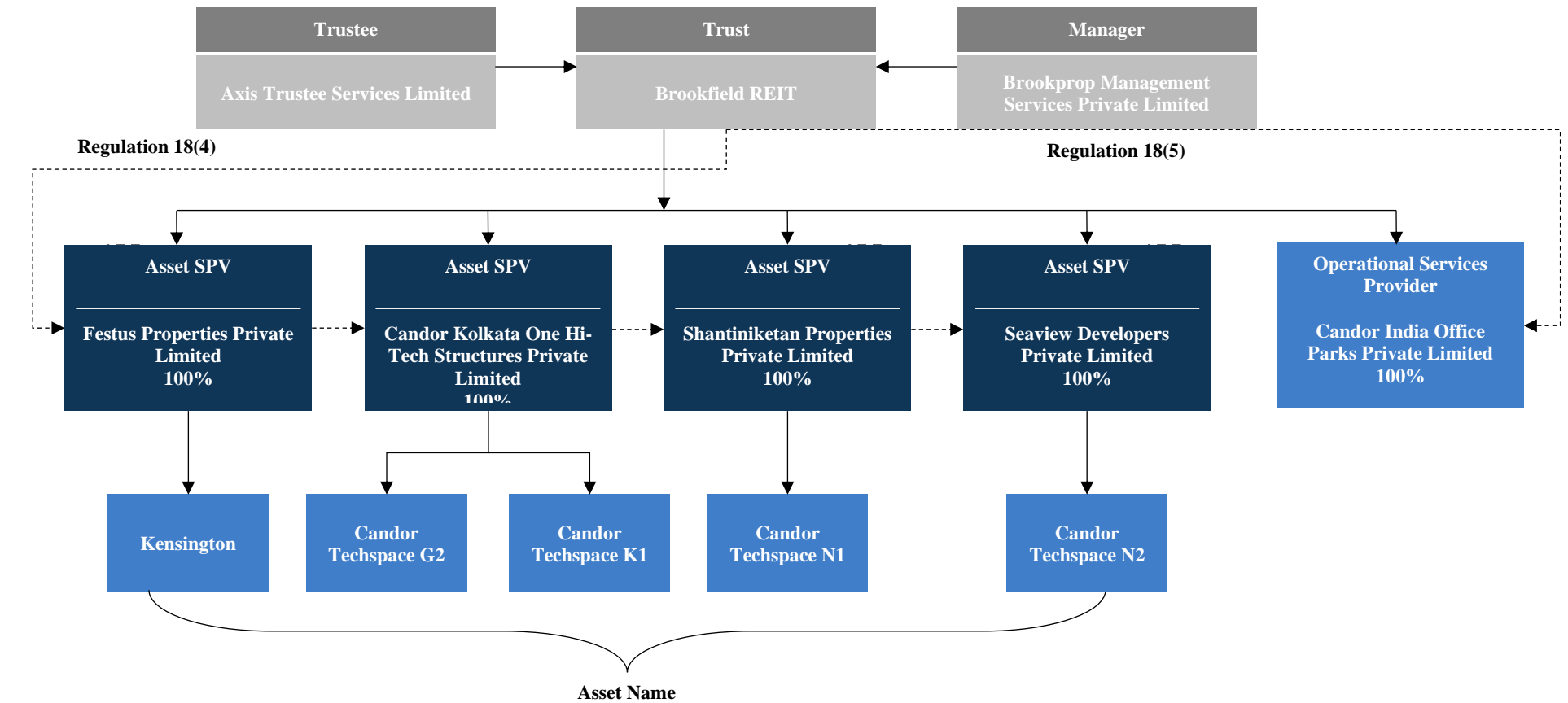
### **BACKGROUND OF THE BROOKFIELD REIT**

The Brookfield REIT has been settled by our Manager (solely as the settlor, on behalf of our Sponsor) for the Initial Contribution. It was settled on July 17, 2020 at Mumbai, Maharashtra, India as a contributory, determinate and irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to a trust deed dated July 17, 2020. The Brookfield REIT was registered with SEBI on September 14, 2020 at Mumbai as a real estate investment trust, pursuant to the REIT Regulations, having registration number IN/REIT/20-21/0004. As at the date of this Preliminary Placement Document, BSREP V is the sponsor of the Brookfield REIT, Brookprop Management Services Private Limited is the manager to the Brookfield REIT and Axis Trustee Services Limited acts as the trustee to the Brookfield REIT.

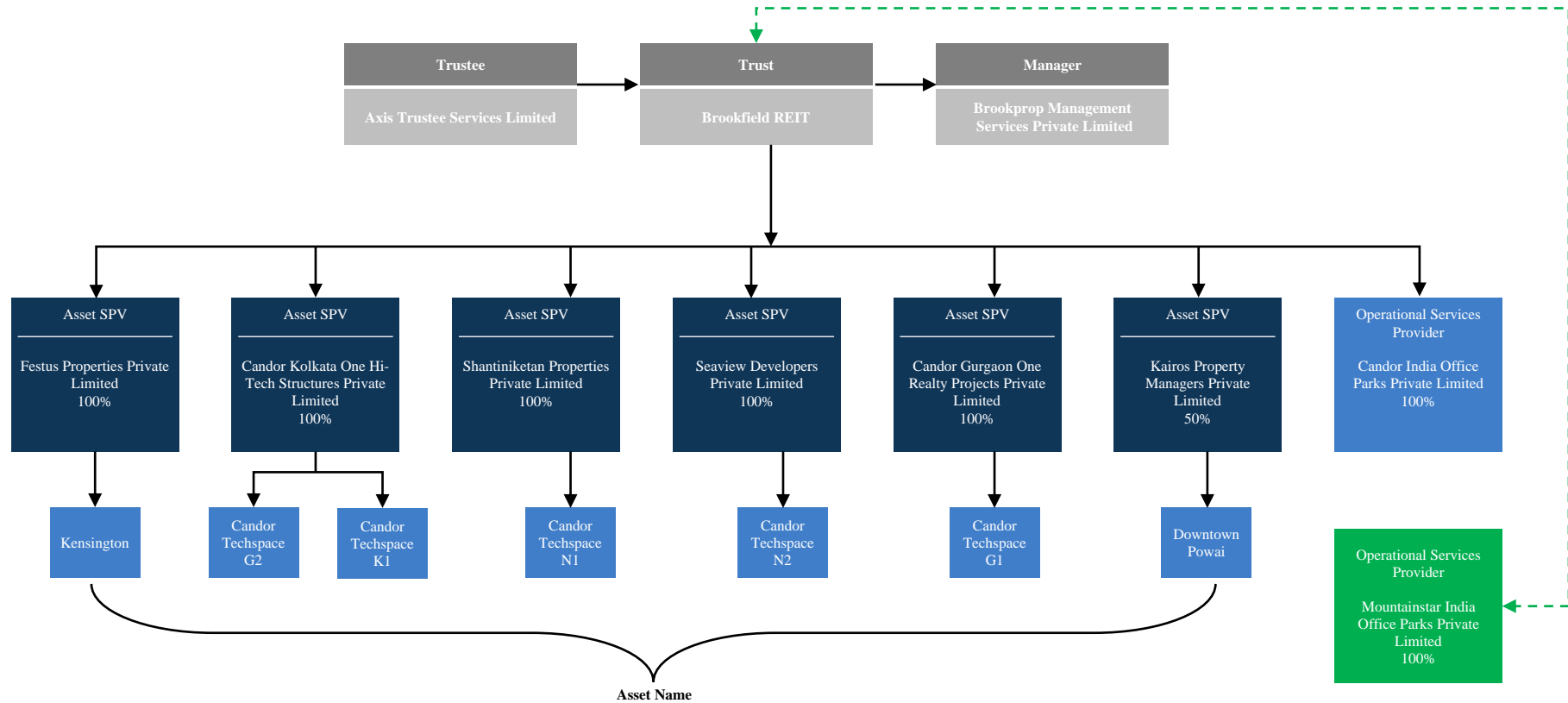
The Portfolio has been acquired and is held by the Brookfield REIT through our Asset SPVs. Additionally, CIOP, which provides services including property management, facilities management and support services to our Candor Asset SPVs has been considered as an investment by the Brookfield REIT under Regulation 18(5)(da) of the REIT Regulations, and is directly held by the Brookfield REIT.

The following illustration sets out the holding and management structure of the Portfolio by the Brookfield REIT, as on the date of this Preliminary Placement Document:





The following illustration sets out the holding and management structure of the Portfolio and Target Assets by the Brookfield REIT, post the completion of the Acquisition Transactions<sup>6</sup>:



<sup>6</sup> In relation to the acquisition of Candor G1, the Brookfield REIT (either directly or through its Holding Company, SPV or affiliate subject to compliance with applicable law) also proposes to acquire 100% of the share capital of MIOP (on a fully diluted basis) from the MIOP Shareholders in accordance with the provisions of the MIOP Option Agreement. Upon termination of the G1 Income Support Agreement, the Brookfield REIT has the right to require the MIOP Shareholders to sell 100% of the share capital of MIOP (on a fully diluted basis) to the Brookfield REIT and the MIOP Shareholders also have the right to require the Brookfield REIT to acquire 100% of the share capital of MIOP (on a fully diluted basis) from the MIOP Shareholders in accordance with the MIOP Option Agreement.

For details with respect to our Sponsor, Sponsor Group, Manager and the Trustee please see “–Background of the Brookfield REIT” in this section below. Further, for details with respect to our Portfolio and Target Assets, see “Our Business and Properties”, beginning on page 148 and for details with respect to our Portfolio Companies and Target SPVs, see “Our Portfolio Companies and Target SPVs”, beginning on page 200.

***Investment Objectives of the Brookfield REIT***

The Brookfield REIT has been settled, *inter alia*, with the following investment objectives:

1. to raise funds in accordance with applicable law, for the purpose of attaining the object and purpose of the Brookfield REIT;
2. to make investments or re-investments in accordance with *inter alia* the Trust Deed, the Investment Management Agreement and applicable law, including any business of operation and maintenance of any of our Portfolios’ directly held by the Brookfield REIT;
3. to hold amounts held by the Brookfield REIT pending investment or distribution, or as a reserve of the Brookfield REIT’s anticipated obligations, as permitted under the REIT Regulations;
4. to make distributions to our Unitholders in the manner set out in the Trust Deed;
5. to do all other things necessary and conducive to the attainment of the aforesaid objectives, through agents or other delegates (including our Manager); and
6. to carry on generally such other activities as may be permitted under applicable laws.

***Certain investment conditions applicable to the Brookfield REIT***

- a. In accordance with the REIT Regulations, the Brookfield REIT is required to ensure compliance with, *inter alia*, the following investment conditions:
  - i. invest not less than 80% of the value of its assets in completed and rent and/ or income generating properties;
  - ii. not more than 20% of the value of its assets shall be invested in certain permitted forms of investments (whether directly or through a company or LLP) which include, among other things, under construction properties, completed but not rent generating properties, mortgage backed securities, listed or unlisted debt of companies or body corporates in the real estate sector, listed equity shares of companies listed on a recognized stock exchange and unlisted equity shares of companies which derive not less than 75% of their operating income from real estate activity according to the audited accounts of the previous Financial Year; and
  - iii. not less than 51% of the consolidated revenues of the Brookfield REIT, and our Asset SPVs, other than gains arising from disposal of properties, must at all times arise from rental, leasing and letting real estate assets or any other income incidental to the leasing of such assets.
- b. Further, our Manager is required to monitor these thresholds on a half-yearly basis and at the time of the acquisition of an asset. In the event these conditions are breached on account of market movements of the price of the underlying assets or securities or change in tenants or expiry of lease or sale of properties, our Manager is required to inform the Trustee and ensure that these conditions are satisfied within six months of any such breach (or within one year if approved by our Unitholders).
- c. In addition to the investment ratios set out above, the REIT Regulations and the Trust Deed also impose restrictions on certain investments including, among other things, investing in units of other REITs, launching schemes under the Brookfield REIT, investments in vacant land, agricultural land or mortgages other than mortgage backed securities, and assets located outside India. The Brookfield REIT is also restricted from co-investing with any person(s) in any transaction in the event the investment by such other person(s) is on terms more favorable than those offered to the Brookfield REIT.

- d. The properties (including under construction properties which are part of existing income generating properties) acquired by the Brookfield REIT are also required to be held for a period of at least three years from the date of completion or purchase, as applicable, pursuant to the REIT Regulations.

As a real estate investment trust which is not Indian owned and controlled, the Brookfield REIT is subject to additional investment conditions set out under the FEMA Rules including compliance with the downstream investment requirements. Pursuant to the applicable FEMA Rules and the FDI Policy, FDI is prohibited in ‘real estate business’. ‘Real estate business’ means dealing in land and immovable property with a view to earning profit therefrom. However, the term ‘real estate business’ does not include development of townships, construction of residential or commercial premises, roads or bridges, educational institutions, recreational facilities, city and regional level infrastructure, townships and REITs registered and regulated pursuant to the REIT Regulations. Further, earning of rent/ income from lease of property, not amounting to transfer, also does not amount to ‘real estate business’. In addition, in accordance with the FDI Policy, an Indian investee company may sell developed plots which means plots where trunk infrastructure *i.e.* roads, water supply, street lighting, drainage and sewerage, have been made available.

### Details of credit ratings

As at the date of this Preliminary Placement Document, the Brookfield REIT has been assigned the following credit rating from CRISIL:

Sr. No.	Credit rating/ Instrument	Total bank loan facilities rated (in ₹ million)
1.	CCR AAA/Negative (Renewed and Reaffirmed) (Corporate credit rating)	-

### Parties to the Brookfield REIT

#### I. BSREP India Office Holdings V Pte. Ltd. - Our Sponsor

Our Sponsor was incorporated in Singapore on June 17, 2014 as a ‘private company limited by shares’ with registration number 201417591H. For details in relation to the registered office address, correspondence address, contact person and contact details of our Sponsor, see “General Information” beginning on page 363.

#### Background of our Sponsor

Our Sponsor is a wholly owned subsidiary of BSREP India Holdings, a company incorporated in Singapore, which is a part of the Brookfield Strategic Real Estate Partners series of funds under the Brookfield Group. In accordance with Regulation 4(2)(d)(iii) of the REIT Regulations, the sponsor or its associate(s) are required to have not less than five years’ experience in the development of real estate or fund management in the real estate industry.

Our Sponsor’s associate (as defined under Regulation 2(1)(b) of the REIT Regulations), Brookfield Corporation, has more than five years’ experience in fund management in the real estate industry on which our Sponsor has relied for its eligibility under the REIT Regulations.

Brookfield Corporation’s, asset management business is one of the world’s largest alternative asset managers with approximately US\$ \$825 billion in assets under management, as of March 31, 2023 and with an over 100-year heritage as a global owner and operator of real assets, Brookfield Corporation focuses on investing across renewable power and transition, infrastructure, private equity, real estate and credit. Brookfield Corporation has a global presence of approximately 195,000 operating employees across more than 30 countries as of May 30, 2023. Brookfield Corporation’s has over US\$270 billion of real estate assets under management, and over 500 msf across multiple real estate asset classes, with strong real estate capabilities in leasing, financing, development, design, construction and property management, as of March 31, 2023. As of March 31, 2023, Brookfield Corporation had a decade-long presence in India and manage a portfolio of approximately US\$ 22 billion across real estate (US\$7 billion), infrastructure (US\$12 billion), renewable power (US\$1 billion) and private equity (US\$2 billion) and the Powai Business District, Equinox, Units in Godrej BKC and Waterstones are owned by members of the Brookfield Group;

Brookfield Corporation, has a market capitalization of approximately US\$ 50 billion as of March 31, 2023. The asset management business of Brookfield Corporation, is one of the world’s largest alternative asset managers with approximately US\$ 825 billion in assets under management, as of March 31, 2023. Brookfield Corporation is incorporated in Ontario, Canada and is listed on the Toronto and New York stock exchanges. Brookfield

Corporation qualifies as an eligible Canadian issuer under the Multijurisdictional Disclosure System and as a “foreign private issuer” (as defined under Rule 405 under the U.S. Securities Act and Rule 3b-4 under the U.S. Securities Exchange Act). As a result, Brookfield Corporation complies with U.S. continuous reporting requirements by filing its Canadian disclosure documents with the U.S. Securities Exchange Commission.

Brookfield Property Group carries out investments, directly and indirectly, through Brookfield Property Partners L.P. (“BPY”), which is listed on the NASDAQ and TSX, and private funds, including its flagship real estate funds in the Brookfield Strategic Real Estate Partners series. Brookfield Corporation acts, directly or indirectly, as the asset manager to all the public vehicles and private funds in the Brookfield Group.

As Brookfield Corporation’s primary vehicle to make investments across all strategies in real estate, BPY’s global portfolio of assets includes office, retail, multifamily, logistics, hospitality, self-storage, triple net lease, manufactured housing and student housing assets located in five continents. The Brookfield Group currently manages approximately US\$ 22 billion of assets in India as of March 31, 2023, which includes several significant assets managed by the Brookfield Property Group, such as the Portfolio.

The shareholding pattern of our Sponsor, as on date of this Preliminary Placement Document, is set out below:

*Equity Shares*

Sr. No.	Shareholder	Number of shares held (USD denominated)	Amount of share capital (in USD)
1.	BSREP India Holdings	1,110,000	1,110,000
Total		1,110,000	-

Sr. No.	Shareholder	Number of shares held (SGD denominated)	Amount of share capital (in SGD)
1.	BSREP India Holdings	28,996,370	28,996,460
Total		28,996,370	-

*Redeemable preference shares*

Sr. No.	Shareholder	Number of shares held (USD denominated)	Amount of share capital (in USD)
1.	BSREP India Holdings	7,430,758	7,430,758
Total		7,430,758	-

Sr. No.	Shareholder	Number of shares held (SGD denominated)	Amount of share capital (in SGD)
1.	BSREP India Holdings	55,786,054	5,786,054
Total		55,786,054	-

*Board of directors of our Sponsor*

Liew Yee Foong is the director of our Sponsor:

*Real estate assets outside the Portfolio in which our Sponsor, directly or indirectly, holds interest*

As on the date of this Preliminary Placement Document, our Sponsor does not hold any interest, directly or indirectly, in commercial real estate assets other than those forming a part of the Portfolio.

*Other confirmations*

Our Sponsor meets the eligibility criteria specified under REIT Regulations (net worth of not less than ₹1,000 million), with a net worth of US\$ 80.15 million as of March 31, 2023 (i.e. approximately ₹ 6,569.36 million).

Further, neither our Sponsor and members of our Sponsor Group nor any of the directors or promoters (to the extent that any member of the Sponsor Group has promoters) of our Sponsor and members of our Sponsor Group (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company, or a sponsor, manager or trustee of any other REIT or REIT which is debarred from accessing the capital market under any order or directions made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

## II. Our Sponsor Group

In addition to our Sponsor, the following entities form a part of our Sponsor Group:

- a) BSREP II India;
- b) BSREP IOH IV;
- c) BSREP India Office Holdings VI Pte. Ltd.;
- d) Brookfield Corporation;
- e) BSREP IOH III; and
- f) BSREP IOH.

## III. Brookprop Management Services Private Limited - Our Manager

Brookprop Management Services Private Limited, a part of the Brookfield Group, is a private limited company incorporated in India on March 21, 2018 under the provisions of the Companies Act with a corporate identification number U74999MH2018FTC306865. Pursuant to the Investment Management Agreement, Brookprop Management Services Private Limited is our manager in accordance with the REIT Regulations. For details with respect to the registered office address, correspondence address, contact person and contact details of our Manager, see “*General Information*” beginning on page 363.

### ***Background of our Manager***

Our Manager meets the eligibility criteria specified under REIT Regulations (net worth of not less than ₹100 million), with a net worth of ₹ 787.41 million, as of March 31, 2023.

Our Manager is a real estate services company that provides real estate management services, including facility management services and project delivery services to the real estate assets held by the Brookfield Group across India. In accordance with Regulation 4(2)(e)(ii) of the REIT Regulations, our Manager or its associate is required to have not less than five years’ experience in fund management, advisory services, property management in the real estate industry or in development of real estate. Our Manager has relied on the experience of its associate (as defined under Regulation 2(1)(b) of the REIT Regulations), Brookfield Corporation, for meeting the eligibility requirement under the REIT Regulations. For details on the past experience of Brookfield Corporation, see “*Background of our Sponsor*” in this section above.

The shareholding pattern of our Manager, as on date of this Preliminary Placement Document, is set out below:

Sr. No.	Name of Shareholder	No. of shares (₹10 each)	Percentage (%)
1.	Brookfield Property Group (Canada) ULC	1,059,300	99
2.	Brookfield India Holdings ULC	10,700	1
	Total	1,070,000	100%

Our Manager confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, and sufficient key personnel and resources to perform its functions, duties and responsibilities with respect to the management of the Brookfield REIT, in accordance with the REIT Regulations, the Investment Management Agreement and applicable law.

Neither our Manager nor any of the promoters or directors of our Manager (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other real estate investment trust or any real estate investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

### ***Board of Directors of our Manager***

The following are the directors of our Manager:

- (i) Akila Krishnakumar (*Independent director*);

- (ii) Shailesh Vishnubhai Haribhakti (*Independent director*);
- (iii) Rajnish Kumar (*Independent director*);
- (iv) Anuj Ranjan (*Non-executive director*);
- (v) Ankur Gupta (*Non-executive director*); and
- (vi) Thomas Jan Sucharda (*Non-executive director*)

For further details on the directors on our Board and brief profiles of the directors, key personnel and members of the core team of our Manager, see “*The Board and Management of our Manager*” beginning on page 221.

### ***Key terms of the Investment Management Agreement***

#### **Appointment and scope of duties of our Manager**

The Trustee and our Manager have executed the Investment Management Agreement, under which various powers, duties, obligations, rights and liabilities of our Manager have been prescribed in accordance with the REIT Regulations. Our Manager has been appointed by the Trustee, based on the recommendation of our Sponsor and in accordance with the Investment Management Agreement, and is, *inter alia*, empowered to

- (a) manage Brookfield REIT and the Trust Fund and to render investment management services to Brookfield REIT in accordance with the terms of the Investment Management Agreement, the REIT Regulations and other applicable laws;
- (b) provide (either by itself or through the appointment and supervision of appropriate agents) property management, support services and any other services to us and/ or our Holding Company, if any;
- (c) manage the day-to-day affairs of Brookfield REIT and provide administrative services in accordance with the provisions of the Investment Management Agreement and the REIT Regulations;
- (d) raise Capital Contributions on behalf of Brookfield REIT;
- (e) make, originate, negotiate, acquire, manage, monitor, oversee and sell or otherwise dispose of investments undertaken by Brookfield REIT, in accordance with the provisions of the REIT Documents (as defined in the Investment Management Agreement) and applicable law;
- (f) seek and obtain necessary regulatory approvals and make the required governmental filings and take all other steps necessary for the operation of Brookfield REIT in accordance with applicable law and the REIT Documents; and
- (g) do all such acts or things on behalf of Brookfield REIT as may be incidental or consequential to the discharge of its functions and responsibilities, as prescribed under the Investment Management Agreement and the REIT Regulations.

Our Manager shall coordinate with the Trustee, as may be necessary, with respect to the operations of the Brookfield REIT. However, the Trustee shall not engage in the day to day operations and management of Brookfield REIT to the extent that the powers, rights or obligations of the Trustee under the Trust Deed have been delegated to our Manager under the Investment Management Agreement, and shall be entitled to exercise such powers, rights or obligations only (i) where it is required by applicable law, or (ii) in the event of the failure or inability of our Manager to exercise such powers, rights and/ or obligations or (iii) in the event that our Manager specifically refers a matter to the Trustee.

#### **Powers of our Manager**

Our Manager has, among others, the power to:

- (a) take all decisions in relation to the management and administration of Brookfield REIT and the investments (including investments by the Brookfield REIT in Holdcos, if any, SPVs, Real Estate Assets and other assets and securities or such other investments permitted under the REIT Regulations) of Brookfield REIT as may be incidental or necessary for the advancement or fulfilment of the

objectives of Brookfield REIT, including any investment or divestment decision, in accordance with the REIT Regulations and the REIT Documents;

- (b) acquire, hold, manage, trade and dispose of Real Estate Assets of the Brookfield REIT, shares, stocks, convertibles, debentures, bonds, transferable development rights in India, equity, equity-related securities, debt or mezzanine securities of all kinds issued by any Asset SPV or Holding Company (including loans convertible into equity), whether in physical or dematerialised form, including power to hypothecate, pledge or create encumbrances of any kind on such securities held by Brookfield REIT in such Holding Company and/ or Asset SPV, to be used as collateral security for any borrowings by Brookfield REIT;
- (c) keep the Trust Fund in deposits with banks or as permitted under the REIT Regulations in the form permitted under the REIT Regulations in the name of Brookfield REIT;
- (d) cause the issue and allotment of Units in accordance with the REIT Regulations and accept Capital Contributions for Brookfield REIT and subscriptions to Units and undertake all such related activities;
- (e) cause Brookfield REIT to issue debentures, borrow or to defer payments or raise funds in any other form in accordance with applicable law, subject to the conditions laid down in the REIT Regulations;
- (f) exercise all rights in relation to the shareholding of the Brookfield REIT in our Asset SPVs and/ or Holding Company and other assets underlying the Trust Fund, including voting rights, rights to appoint directors (in consultation with the Trustee), whether pursuant to securities held by the REIT, or otherwise, subject to and in compliance with any conditions laid out in the REIT Regulations and other applicable law;
- (g) to pay expenses that are required to be paid by Brookfield REIT out of the Trust Fund;
- (h) arrange for and ensure the assets forming part of the Trust Fund are adequately insured;
- (i) negotiate and execute contracts, and/ or terminate or modify such contracts and do all such acts, deeds and things for or on behalf of or in the name of Brookfield REIT, as our Manager may consider expedient for managing Brookfield REIT; and
- (j) ascertain, appropriate, declare and distribute or reinvest the surplus in the Trust Fund in compliance with the REIT Regulations, to determine and allocate income, profits and gains and expenses with respect to Brookfield REIT to and amongst our Unitholders.

Additionally, our Manager may also appoint, in consultation with the Trustee, various intermediaries with respect to the activities pertaining to Brookfield REIT in accordance with the REIT Regulations and applicable law and all fees in relation to such professional service providers, intermediaries and agents shall be determined by our Manager and shall be to the account of Brookfield REIT, to be paid out of the Trust Fund or in such manner as may be permitted under applicable law. Our Manager shall not be responsible for the default or violation by any such professional service provider, intermediary or agent of their terms of service, if employed in good faith, to transact any business identified in the arrangement with them. Our Manager may, in consultation with the Trustee, also appoint any custodian in order to provide custodian services, oversee activities of the custodian and permit any asset forming part of the Brookfield REIT to remain deposited with a custodian, as permissible under applicable law.

Our Manager is required to monitor the activities and financial position of the Brookfield REIT, and can designate an employee as the Compliance Officer for monitoring compliance under the REIT Regulations and under applicable law. Such Compliance Officer shall have the authority to intimate any non-compliance with the REIT Regulations to SEBI.

#### Obligations of our Manager

Pursuant to the Investment Management Agreement, our Manager is required to, among others:

- (a) ensure that the valuation of the assets of the Brookfield REIT is undertaken in accordance the REIT Regulations, and that the computation and declaration of NAV of the Brookfield REIT is based on the valuation done by the Valuer and declared to the Stock Exchanges in accordance with the REIT Regulations;



- (b) maintain (for such periods as may be prescribed under the REIT Regulations) proper books of accounts, documents and records with respect to Brookfield REIT, in the manner set out in the Trust Deed to give a true, fair and accurate account of the investments, expenses, earnings and profits of Brookfield REIT, and ensure the audit of the books of accounts of the Brookfield REIT is undertaken in accordance with the REIT Regulations and its report is submitted to the Stock Exchange within the time stipulated in the REIT Regulations;
- (c) other than as disclosed in the offer documents, ensure that the assets comprised in the Trust Fund have proper legal and marketable title, and that all material contracts entered into on behalf of the Brookfield REIT are legal, valid, binding and enforceable by and on our behalf and our Holding Company, as applicable;
- (d) declare the REIT Distributions to Unitholders in accordance with Regulation 18 of the REIT Regulations;
- (e) to convene meetings of our Unitholders in accordance with the REIT Regulations and maintain records pertaining to the meetings in accordance with the REIT Regulations;
- (f) ensure that it has and continues to have adequate infrastructure and sufficient personnel with adequate experience and qualification to undertake the management of the Brookfield REIT;
- (g) where the Brookfield REIT has made investments in under-construction assets, to undertake the development of such under-construction properties, either directly or through Holding Company or Asset SPVs, or appoint any other person (including a related party), and oversee the progress of development, approval status and other aspects of such under-construction assets;
- (h) ensure redressal of Unitholder grievances pertaining to the activities of the Brookfield REIT;
- (i) ensure that no commissions or rebates or such remuneration or payments is collected by itself or its associates, arising out of a transaction pertaining to the Brookfield REIT, other than as disclosed in the offer documents filed with the stock exchanges or any such document as may be specified by SEBI;
- (j) post-listing, submit annual reports and half-yearly reports to all our Unitholders and the Stock Exchange, as required under the REIT Regulations and in accordance with applicable law. Further, our Manager is also required to submit to the Trustee, quarterly reports on the activities of Brookfield REIT and valuation reports, as required pursuant to the REIT Regulations, decisions to acquire or sell or develop any property or expand existing completed assets;
- (k) intimate the Trustee prior to any change in control of our Manager to enable the Trustee to seek approval from our Unitholders and SEBI in this regard and shall ensure that any change is given effect to in compliance with any provisions of the REIT Regulations and applicable law. Our Manager shall in consultation with the Trustee, appoint at least such number of nominees on the board of directors or the governing board of our Asset SPVs and/ or Holding Company, as applicable, which is in proportion to the shareholding or holding interest of the Brookfield REIT in such Asset SPVs and/ or Holding Company; and
- (l) submit to the board of directors of our Manager, on the activities and performance of Brookfield REIT in the time periods as specified in the REIT Regulations.

*Responsibilities of our Manager in connection with the Issue*

Our Manager along with the Lead Managers shall be responsible for all activities pertaining to the Issue and listing of our Units in accordance with applicable law including:

- (a) filing of offer documents with the stock exchanges within the prescribed time period, and ensure that such offer documents contain material, true, correct, not misleading and adequate disclosures;
- (b) ensuring that disclosures and reporting's to our Unitholders, SEBI, the Trustee and the Stock Exchanges are in accordance with the REIT Regulations and applicable law;
- (c) dealing with all matters up to the allotment of Units to our Unitholders;

- (d) obtaining in-principle approval and final listing and trading approvals from the Stock Exchanges; and
- (e) dealing with all matters relating to the issue and listing of our Units as specified under Chapter IV of the REIT Regulations and any guidelines as may be issued by SEBI in this regard.

Exceptions to the liabilities of our Manager

Pursuant to the Investment Management Agreement, our Manager and its respective officers, board of directors, employees, advisors and agents shall be indemnified (by the Trustee) out of the Trust Fund against any claims, losses, costs, damages, liabilities, suits, proceedings and expenses, including legal fees (“Losses”) incurred by them by reason of their activities on behalf of Brookfield REIT, unless such Losses have resulted from either:

- (a) gross negligence, wilful default, misconduct or fraud; or
- (b) a material breach of applicable law or of the provisions of the REIT Documents, and in each of the foregoing cases, as finally determined by a court of competent jurisdiction.

Our Manager shall not be liable in respect of any action taken or damage suffered by our Unitholders pursuant to any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or document believed to be genuine in good faith and to have been passed, sealed or signed by appropriate governmental agencies or authorised persons (as the case may be).

Notwithstanding anything to the contrary contained in the Investment Management Agreement, our Manager shall not incur any liability for any act or omission, as the case may be, due to any: (a) force majeure; (b) provision of applicable law or regulation made pursuant thereto; (c) decree, order or judgment of any court; or (d) request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any governmental agency (whether legally or otherwise), which has requested or directed our Manager to do or perform or to forbear from doing or performing. In such an event, if for any reason it becomes impossible or impracticable to carry out any of the provisions of the Investment Management Agreement, our Manager shall not be liable for the such impossibility, however, our Manager shall duly inform the Trustee and our Unitholders of the reason for its inability to carry out any of the provisions of the Investment Management Agreement.

Our Manager shall not be personally liable for any losses (including indirect or consequential losses), costs, damages or expenses incurred in any way arising from anything which our Manager does or fails to do during the course of discharge of its duties as a manager to the Brookfield REIT. The liability of our Manager is limited to the fee received by it in the immediately preceding Financial Year except in case of acts involving gross negligence, wilful default, misconduct or fraud or a material breach of applicable law or of the provisions of the REIT Documents by our Manager.

The obligations under the Investment Management Agreement shall not prevent our Manager from, establishing, or acting as a manager or advisor to another trust, a REIT, security trust, AIFs, mutual fund, private equity fund or other fund or investment vehicle that is separate and distinct from Brookfield REIT (whether with similar investment objectives or policies or not), or carrying on any other business or providing any services to third parties and retaining for its own use and benefit all remuneration, profits and advantages which it may derive from the provision of such services. Provided that our Manager shall take measures to

- (a) comply with the relevant conflicts of interest policies; and
- (b) ensure that adequate controls are in place for segregation of its activities as the manager of the Brookfield REIT under the REIT Documents and its other activities.

Subject to applicable law, no Unitholder (acting in its capacity as a Unitholder) shall be entitled to inspect or examine Brookfield REIT’s premises or properties without the prior written permission of our Manager. Further, no Unitholder (acting in its capacity as a Unitholder) shall be entitled to require discovery of any information with respect to any detail of Brookfield REIT’s activities or any matter which may be related to the conduct of the business of Brookfield REIT and which information may, in the opinion of our Manager adversely affect the interest of other Unitholders. Our Manager shall also provide SEBI, the Stock Exchanges, where applicable, such information as may be sought by SEBI or by such Stock Exchanges or by the Trustee, pertaining to the activities of the REIT.

Remuneration

Our Manager is entitled to receive 1% of the NDCF as fees, as agreed under the Investment Management Agreement. For details, see “*Management Framework*” beginning on page 224.

Over and above the REIT Management Fees, in consideration of the property management services or support services which may be rendered by our Manager (either by itself or through its nominees), as per the respective service agreements, our Manager and/ or its nominees shall be paid the property management and support services fees by us and our Holding Company, if any. For details, see “*Management Framework – Fee and expenses*” on page 233. Our Manager may delegate its administrative duties or services or any other duties under the Investment Management Agreement, as may be permitted under applicable law and may appoint advisors and consultants to assist in the same, the cost of which, to the extent otherwise payable by Brookfield REIT and not covered within the total fees payable to our Manager, shall be borne by Brookfield REIT. For details of the current management framework for our Portfolio, see “*Management Framework*” beginning on page 224.

#### *Termination of the Investment Management Agreement*

The Investment Management Agreement, may be terminated: (a) by our Manager, by delivery of a written notice to the Trustee at any time, subject to the approval of our Unitholders (*which shall be no less than one and a half times the number of votes against the resolution*) and SEBI in accordance with the REIT Regulations; or (b) by the Trustee, by delivery of a written notice to our Manager at any time, upon the bankruptcy of our Manager; or if winding up or liquidation proceedings are commenced against our Manager; or (c) if a receiver is appointed to all or a substantial portion of the assets of our Manager; or (d) subject to receipt of approval from SEBI, by the Trustee upon resolution of our Unitholders by requisite majority as specified in the REIT Regulations, for removal of our Manager.

Prior to seeking approval from SEBI and our Unitholders, the Trustee shall give reasonable opportunity to our Manager (in any case with no less than a 90 (ninety) day period calculated from the date of receipt of the written notice by our Manager) to refute the grounds for removal before the Trustee and our Unitholders at their meeting convened for this purpose. Upon termination of the appointment of our Manager the Trustee shall appoint a new manager within such time periods of termination as specified in the Investment Management Agreement and the REIT Regulations. Our Manager shall be required to remain in office and continue to discharge the role of our Manager under the Investment Management Agreement, until the appointment of a new manager. Notwithstanding its termination, our Manager shall continue to be liable for all its acts and omissions and commissions until the termination is effected and it vacates its office.

#### **IV. Axis Trustee Services Limited - The Trustee**

Axis Trustee Services Limited is the trustee of the Brookfield REIT. The Trustee is a registered intermediary with SEBI under the SEBI (Debenture Trustees) Regulations, 1993, as amended, as a debenture trustee having registration number IND000000494 which is valid until suspended or cancelled. For details with respect to the registered office address/principal place of business, correspondence address, contact person and other contact details of the Trustee, see “*General Information*” beginning on page 363.

#### ***Background of the Trustee***

The Trustee is a wholly-owned subsidiary of Axis Bank Limited. The Trustee’s services are aimed at catering to the individual needs of the client and enhancing client satisfaction. As a trustee, it ensures compliance with all statutory requirements and believes in the highest ethical standards and best practices in corporate governance. It aims to provide the best services in the industry with its well trained and professionally qualified staff with sound legal acumen.

The Trustee is involved in varied facets of debenture and bond trusteeships, including, advisory functions and management functions. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions with advice on suitability of the transaction on operational aspects; (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as a safekeeper; (v) a trustee to infrastructure investment funds, etc.

The Trustee confirms that it has and undertakes to ensure that it will at all times, maintain adequate infrastructure personnel and resources to perform its functions, duties and responsibilities with respect to the Brookfield REIT, in accordance with the REIT Regulations, the Trust Deed and other applicable law.

The Trustee is not an associate (as defined under Regulation 2(1)(b) of the REIT Regulations) of our Sponsor, or our Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other real estate investment trust or a real estate investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are persons who are categorized as wilful defaulters by any bank or financial institution, as defined under the Companies Act, 2013, or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

### ***Board of directors of the Trustee***

The board of directors of the Trustee is entrusted with the responsibility for the overall management of the Trustee. The details regarding the board of directors of the Trustee are set forth below:

Sr. No.	Name	DIN	Profile
1.	Deepa Rath	09163254	Deepa Rath is the managing director on the board of directors of the Trustee and chief executive officer of the Trustee.
2.	Rajesh Kumar Dahiya	07508488	Rajesh Kumar Dahiya is a non-executive director on the board of directors of the Trustee and chairman of the Trustee.
3.	Ganesh Sankaran	07580955	Ganesh Sankaran is a non-executive director on the board of the Trustee.

### ***Key terms of the Trust Deed***

#### *Establishment of the Brookfield REIT*

Our Manager (solely as the settlor, on behalf of our Sponsor in the context of the Trust Deed), our Sponsor and the Trustee (in each instance, in its capacity as the trustee of the Brookfield REIT) have executed the Trust Deed, under which various powers, duties, obligations, rights and liabilities of the Trustee have been laid out in accordance with the Indian Trusts Act, the REIT Regulations and the applicable SEBI Guidelines.

Our Manager has, on the instructions of our Sponsor, appointed the Trustee as the sole trustee of the Brookfield REIT and the Trustee has, at the request of our Manager and our Sponsor, agreed to act as the Trustee in accordance with the provisions contained in the Trust Deed and the REIT Regulations. The Trustee is required to hold the Trust Fund in the name of Brookfield REIT and for the benefit of our Unitholders.

#### *Management and operation of the Brookfield REIT*

The management and operation of the Trust Fund is delegated by the Trustee to our Manager under the Investment Management Agreement, however the Trustee shall, at all times, continue to be responsible to oversee the management of the Trust Fund in accordance with the provisions of the REIT Documents (as defined under the Trust Deed) and applicable law. Subject to the provisions of the REIT Documents and applicable law, the Trustee, on the advice of our Manager, may, if it deems expedient, from time to time, review, revise, amend, vary or alter the investment strategy and objective of Brookfield REIT in accordance with the Trust Deed. To the extent that the powers, rights and/ or obligations of the Trustee under the Trust Deed have been entrusted to our Manager (under the Investment Management Agreement), the Trustee shall not engage in the day to day operations and management of Brookfield REIT and shall be entitled to exercise such powers, rights and/ or obligations only where required by applicable law or in the event of failure/ inability of our Manager to exercise such powers, rights and/ or obligations or in the event that our Manager specifically refers any such matter to the Trustee.

The Trustee shall, through our Manager, ensure that it does not take or refrain from taking any measures that will adversely affect the benefits available to the Brookfield REIT, including on account of being a real estate investment trust registered with SEBI.

#### *Rights and obligations of the Trustee*

The Trustee shall have the power to appoint our Manager as the manager of the Brookfield REIT and delegate all or any of the powers of the Trustee, as set out in the Trust Deed and as permitted under applicable law, to our Manager.

In accordance with the Trust Deed, the Trustee on behalf of the Brookfield REIT, either by itself or through our Manager may, amongst others:

- (a) make all decisions, concerning the investigation, selection, development, negotiation, structuring, restructuring, monitoring, divestment of investments of Brookfield REIT;
- (b) manage, acquire, hold, sell, securitize, transfer, exchange, pledge and dispose of investments of the Brookfield REIT, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to such investments;
- (c) enter into, execute and/ or terminate any investment pooling agreements, agreements related to strategic investments, co-investment agreements, and any and all documents and instruments of a similar nature in the name of the Brookfield REIT; and
- (d) institute, conduct, compromise, enforce, compound, defend, answer, oppose or abandon any legal proceedings, for or on behalf of or in the name of the Brookfield REIT or the Trustee, and to defend, compound or otherwise deal with any such proceedings against the Brookfield REIT or Trustee or its officers or concerning the affairs of the Brookfield REIT, and also to compound and allow time for payment or satisfaction of any equity due and of any claims or demands by or against the Brookfield REIT and to refer any differences to arbitration and observe and perform any awards thereof.

Additionally, the Trustee shall have the power, whether directly or through our Manager, where our Manager has been so authorised by the Trustee, under the Investment Management Agreement, to appoint, determine the remuneration of and enter into, execute, deliver, perform, modify or terminate all documents, agreements and instruments containing customary terms including contractual indemnities with valuers, auditors, registrar and transfer agents, merchant bankers, credit rating agencies, search agents, property consultants, brokers, legal, financial and tax consultants or any other intermediary or professional service provider or agent as may be required in connection with the activities of Brookfield REIT in a timely manner and in accordance with the provisions of the REIT Regulations and other applicable law.

The Trustee shall, subject to the advice of our Manager, have the power to incur and pay the expenses (including any taxes or other statutory charges) out of the Trust Fund of Brookfield REIT and discharge all the liabilities of, pertaining to or in relation to Brookfield REIT, out of the Trust Fund.

*Duties and obligations of the Trustee in relation to the Brookfield REIT*

In accordance with the Trust Deed, the Trustee shall perform all the duties and obligations set out in the REIT Regulations, including those duties and obligations set out in Regulation 9 of the REIT Regulations, *inter alia*:

- (a) with the assistance of our Manager, in accordance with the Investment Management Agreement, make all necessary applications to such governmental agencies, as may be required for Brookfield REIT, to carry out its activities once Brookfield REIT is registered with SEBI;
- (b) at all times exercise due diligence in carrying out its duties and use best endeavours to carry on and conduct its business in a proper and efficient manner to protect the interests of our Unitholders;
- (c) through our Manager, ensure prompt and proper collection of the receivables due to Brookfield REIT in accordance with applicable law;
- (d) ensure that all transactions executed by our Manager and any service provider to whom the Trustee has delegated any powers or duties, are done in accordance with the Trust Deed, the Investment Management Agreement, the REIT Regulations and the agreement executed with such service provider;
- (e) in accordance with the applicable law and on receipt of advice from our Manager, pay all taxes, duties and any other statutory charges or levies that may be payable by Brookfield REIT on behalf of our Unitholders from the Trust Fund, subject to the provisions of the REIT Documents; and
- (f) promptly on occurrence, inform our Manager and our Unitholders of a cancellation, revocation or suspension of its registration to act as a trustee under applicable law or a breach of the terms of such registration that will materially impair its ability to perform its obligations and exercise its powers under the Trust Deed.

The assets and liabilities of the Brookfield REIT shall at all times be segregated from the assets and liabilities of any other trusts managed by the Trustee.

*Rights and obligations of the Trustee in relation to Units and Unitholders*

The Trustee shall, in consultation with our Manager:

- (a) issue the subscribed or purchased Units to each of our Unitholders;
- (b) register our Unitholders as the holder of our Units in accordance with the offer document or the placement memorandum (as applicable) and applicable law; and
- (c) have the powers to issue such additional Units on such terms and conditions as more particularly set out in the offer document or the placement memorandum (as applicable) and applicable law.

The Trustee shall have the power to impose such restrictions, as it may think necessary, for ensuring that no Units are acquired or held by any person in breach of applicable law or the requirements of governmental agency including without limitation of the foregoing, any exchange control regulation applicable thereto. The Trustee, through our Manager, from time to time provide such documents and information to our Unitholders, as may be required by SEBI, the Stock Exchanges or other governmental agency, with respect to the activities carried on by the Brookfield REIT. The Trustee shall not invest in or subscribe to our Units. The Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by our Manager in accordance with the REIT Regulations.

The Trustee shall ensure that the assets held under the Brookfield REIT shall be held for the exclusive benefit of our Unitholders of Brookfield REIT and such assets shall not be subject to the claims of any creditor or other person claiming under any other trust or fund administered by the Trustee or managed by our Manager, as the case may be. The Trustee shall also ensure that the Capital Contribution received whether by way of a public issue of Units through an offer document or private placement or a qualified institutional placement to a limited number of private and institutional investors through a placement memorandum is kept in a separate bank account in the name of Brookfield REIT and is only utilised for adjustment against allotment of Units or refund of money to the applicants till the time such Units are listed and the same will be utilised for the objectives stated in the offer document or placement memorandum (as the case may be).

The Trustee shall ensure that our Manager makes timely declaration of distributions that are to be made by the Brookfield REIT to our Unitholders, from time to time, as set out under the Trust Deed and in accordance with applicable law.

The Trustee shall oversee activities of our Manager in the interest of our Unitholders, ensure that our Manager complies with the REIT Regulations and obtain a compliance certificate from our Manager on a quarterly basis, in a form prescribed by SEBI, if any.

The Trustee shall ensure that our Manager convenes meetings of our Unitholders in accordance with the REIT Regulations and shall oversee the voting by our Unitholders and declare the outcome of such meetings. However, if there is a change or removal of our Manager, or a change in control of our Manager, the Trustee shall be responsible for convening and conducting of the meeting of our Unitholders; and if there arises any issue pertaining to the Trustee, such as change in the Trustee, the Trustee shall not be involved in any manner in the conduct of the meetings of our Unitholders.

Additionally, the Trustee shall either by itself or through our Manager ensure that our Units are listed and the allotments to our Unitholders, are completed in accordance with and within such time frames as may be prescribed under the REIT Regulations. The Trustee shall ensure that our Manager applies for delisting of our Units to SEBI and the Stock Exchange, on the occurrence of any of the events or circumstances specified under Regulation 17 of the REIT Regulations.

For the effective monitoring of the functions of the Brookfield REIT, the Trustee shall require our Manager to set up systems and procedures, and submit reports to the Trustee.

Subject to applicable law and as acknowledged by the Trustee in terms of the Trust Deed, no Unitholder (acting in its capacity as a Unitholder) shall be entitled to inspect or examine the Brookfield REIT's properties without the prior permission of our Manager, and shall not be entitled to require discovery of any information with respect to any detail of the Brookfield REIT's activities or any matter which may be related to the conduct of

the business of the Brookfield REIT and which information may, in the opinion of our Manager adversely affect the interest of other Unitholders.

*Powers of the Trustee*

- (a) *Removal/ replacement of our Manager:* The Trustee shall have the power to remove or replace our Manager in accordance with the provisions of the Investment Management Agreement and the REIT Regulations. Upon such removal, the Trustee shall appoint a new manager within three months from the date of termination of the previous investment management agreement, and such previous manager shall continue to act as our Manager at the discretion of the Trustee till such time as the new manager is appointed, and the Trustee shall ensure that the previous manager continues to be liable for all its acts of omissions and commissions for the period during which it served as Manager. The Trustee shall ensure that the new manager shall stand substituted as a party in all documents to which the previous manager was a party.
- (b) *Conflicts of interest:* The Trustee shall review the transactions carried on between our Manager and its associates and upon being advised by our Manager that there may be a conflict of interest, the Trustee shall obtain a certificate from a practising chartered accountant or a valuer, certifying that such transactions are conducted on an arm's length basis.
- (c) *Administrative and operational matters:* In terms of the Trust Deed, the Trustee shall, as may be recommended by our Manager, from time to time, in the interests of administrative and operational convenience, delegate to any committee or person, any powers and duties including management of the Trust Fund vested in it under the Trust Deed. However, the Trustee shall remain liable for all the acts of commission or omission of such person being the delegate (such liability as may be determined by a court of competent jurisdiction, whose decision is final and non-appealable), except in cases of gross negligence, misconduct, wilful default and fraud by such person or committee, as determined by a court of competent jurisdiction, whose decision is final and non-appealable. Any action taken by such committee or person in respect of the Trust Fund shall be construed as an act done by the Trustee.

*Reporting and Disclosure Obligations of the Trustee*

The Trustee shall comply with intimation requirements under the REIT Regulations, including in relation to intimating SEBI in case of any discrepancy in the operation of the Brookfield REIT with the REIT Regulations and the offer document or placement memorandum (as applicable), and also immediately inform SEBI in case:

- (a) our Manager fails to, within the prescribed timelines, submit to the Trustee the information or reports as specified under the REIT Regulations; and
- (b) any act which is detrimental to the interest of our Unitholders.

The Trustee shall ensure that our Manager complies with reporting and disclosure requirements in accordance with the REIT Regulations and applicable law, and in case of any delay or discrepancy, require that our Manager rectify such delay or discrepancy on an urgent basis.

The Trustee shall also have the power to take up with SEBI or with the Stock Exchanges, any matter which has been approved in any meeting of our Unitholders, requiring such action.

*Remuneration*

In terms of the Trust Deed, the Trustee shall be entitled to receive fees from the Trust Fund for services to be rendered in relation to the administration and management of the Brookfield REIT. Additionally, the Trustee is also entitled to reimbursement, from the Trust Fund, of all reasonable expenses incurred by it, on behalf of the Brookfield REIT including any direct or indirect tax or duty, which has become or may become leviable under applicable law.

*Term and Termination of the services of the Trustee*

The Trustee shall hold the office till the occurrence of the earlier of either the winding up or termination of Brookfield REIT; or discharge of the Trustee on the occurrence of any of the following events:

- (a) resignation by the Trustee from its office in accordance with terms and conditions of the Trust Deed; or
- (b) if our Unitholders on the basis of requisite majority, in accordance with the REIT Regulations pass a resolution for removal of Trustee; or
- (c) passing of a resolution by the board of directors of the Trustee for the voluntarily winding up of the Trustee, or passing of an order of winding up against the Trustee by a court of competent jurisdiction; or
- (d) passing of a direction by SEBI or any other governmental or regulatory authority to remove the Trustee.

In the event, the Trustee desires to resign from its office, it may submit its resignation to our Sponsor, or in the absence of our Sponsor, our Unitholders, setting out reasons for such resignation. Our Sponsor may approve the resignation on the condition that a new trustee shall be appointed to hold office in its place from the date of acceptance of the resignation of the Trustee in accordance with terms and conditions of the Trust Deed. The date of acceptance of the Trustee's resignation shall be deemed to be the date of discharge of the Trustee.

However, in the event our Sponsor fails to appoint a trustee within a period of 60 days from the date of notice of resignation of the Trustee, the Trustee shall to the best of its ability guide our Sponsor or our Unitholders on the appointment of a reputed person with the requisite expertise and experience as successor trustee and the Trustee shall continue as trustee until such appointment of its successor trustee. Every new trustee appointed pursuant to provisions of the Trust Deed shall have the powers, authorities and discretion, and shall in all respects act and be liable as if originally appointed as a trustee under the Trust Deed.

Exceptions to the liabilities of the Trustee

The Trustee's liability shall be limited to the extent of the fees received by it (for the immediately preceding Financial Year), except in case of any gross negligence or fraud on the part of the Trustee as settled by a court of competent jurisdiction. The Trustee shall not be personally liable for any losses (including indirect or consequential losses), costs, damages or expenses incurred in any way arising from anything which the Trustee, in its capacity as trustee of the Trust does or fails to do.

Additionally, the Trustee shall not be liable to our Unitholders for doing or failing to do any act pursuant to the provisions of applicable law, or of any decree, order or judgment of any court, or by reason of any direction made by any person acting with or purporting to exercise the authority of any governmental agency. The Trustee shall also not be liable for any act or omission that may result in a loss to a Unitholder by way of depletion in the value of the Trust Fund or otherwise, except in the event that such depletion is a result of gross negligence, wilful default or breach of trust on the part of the Trustee as determined by a court of competent jurisdiction, whose decision is final and non-appealable.

Non-exclusivity

In terms of the Trust Deed, the Trustee is not prohibited from acting as trustee of other trusts, alternate investment funds, VCFs, private equity funds, real estate investments trusts, infrastructure investment trusts, private trusts or customized fiduciary trusts separate and distinct from Brookfield REIT, and retaining for its own use and benefit all remuneration, profits and advantages which it may derive, as permitted under applicable law.



## INDUSTRY OVERVIEW

*The information contained in this section is derived from the report titled “India Commercial Real Estate Overview” issued on July 10, 2023, prepared by C&WI (the “Industry Report”) and commissioned by the Manager in relation to the Issue. Neither the Manager, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Wherever data for the 12-month period ended March 31 has been presented in this section, a reference to “Fiscal Year” or “Financial Year” or “FY” along with the relevant year has been included. Any other data included with respect to a period relates to data for the relevant calendar year period. For instance, 3M 2023 refers to January to March 2023; Q1 2023 refers to January to March 2023 and 2023E refers to January to December 2023 (estimated).*

### Overview

India’s gross domestic product (“GDP”) grew by 5.9% in 2023 making it one of the fastest growing major economies in the world. As per the Ministry of External Affairs, Government of India, the Indian economy amounted to US\$ 3.74 trillion for the Financial Year 2023. India’s economy is expected to be the fastest growing economy amongst the seven largest economies globally and is projected to grow at the rate of 6.3% in FY 2024E (estimated).

The real estate sector is one of the important sectors of the Indian economy because of its multiplier effect. An impact on this sector has a direct bearing on economic growth of the country. The bulk of demand for Grade-A<sup>7</sup> office stock in India is from multinational corporates based out of the United States and the European Union. The net absorption of office spaces in Mumbai and National Capital Region (which includes Gurugram and Noida and hereinafter referred to as “NCR”) has been in-line with major global office markets led by low per capital supply, growth of technology services sector, increasing traction from international tenants and attractive rentals.

The technology industry, which is the mainstay of office demand, is one of the global success stories of India. India’s gross value added (“GVA”) of services sector which comprises of technology sector has outperformed the GDP growth rate with a 8.7% CAGR (between the Financial Year 2010 and the Financial Year 2023). Importantly, the Indian technology sector continues to evolve as the focus is moving from just cost excellence towards creating business impact as Indian companies and Global In-house Centres (“GICs”) (also known as Global Capability Centers (“GCCs”)), now provide end to end services to their clients. COVID-19 has accelerated the structural shift that was already underway prior to the crisis in relation to usage and deployment of technology especially cloud, data analytics, e-commerce and digital transformation. The global spending on software and IT services is expected to grow. The technology industry in India is expected to grow to approximately US\$ 350-400 billion by Financial Year 2025 from an estimated US\$ 245 billion in Financial Year 2023 due to India’s competitive cost advantage, availability of talent pool, affordable high-quality office infrastructure, supportive government policies and increasing demand of IT and integration technologies within India and across various new sectors.

Mumbai, Gurugram, Noida and Kolkata (the “Brookfield REIT Markets”) have exhibited strong market dynamics with robust absorption and limited high-quality supply resulting in lower vacancy levels and higher rental growth during the last 8.25 years. Between 2015 and Q1 2023, 63.23 msf<sup>8</sup> of non-strata owned supply was delivered in the Brookfield REIT Markets, while the net absorption was 51.62 msf<sup>2</sup>.

<sup>7</sup> The Industry Report defines “Grade-A” as a development type whose tenant profile includes prominent multinational corporations. The development should also include adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems.

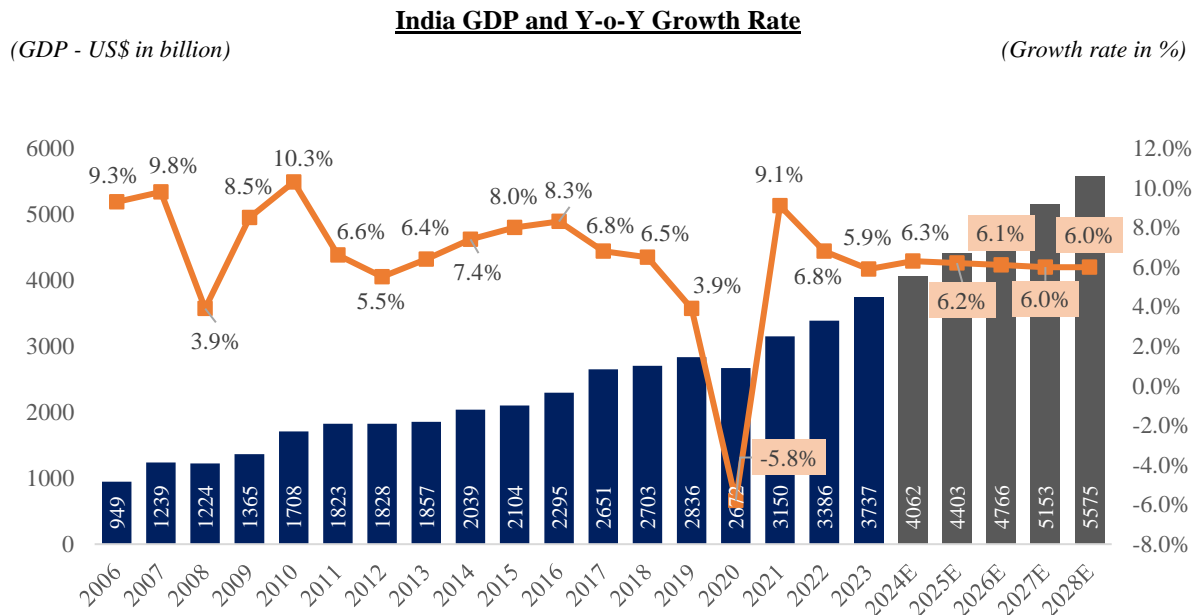
<sup>8</sup> For Gurugram, Noida and Kolkata, stock and supply data comprised of relevant non-strata owned buildings, however completed Grade-A stock has been considered for Mumbai.

**Indian Economy: Attractive macro-economic indicators**

**One of the largest and fastest growing economies with demographic dividend**

India is the fifth-largest economy in the world. India’s GDP grew by 5.9% in Financial Year 2023 making it one of the fastest growing major economies in the world. As per the Ministry of External Affairs, Government of India, the Indian economy amounted to US\$ 3.74 trillion for the Financial Year 2023.

As per the International Monetary Fund’s (“IMF”) forecasts, the Indian economy is expected to maintain its leadership position in terms of economic growth. India’s GDP grew at the rate of 5.9% in 2023 and IMF projects India to grow at 6.3% in 2024, higher than any other major economy including China (4.5%), United States of America (1.1%), Australia (1.7%) and UK (1.0%), as well as developing economies like Brazil (1.5%). Key drivers for India’s accelerating economic growth include rebound of private consumption which has given a boost to production activity, higher Capital Expenditure (Capex), near-universal vaccination coverage enabling people to spend on contact-based services such as restaurants, hotels, shopping malls, and cinemas, return of migrant workers to cities to work in construction sites due to rebound in consumption which has had a ripple effect on the housing market, the strengthening of the balance sheets of the Corporates, well-capitalised public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones.



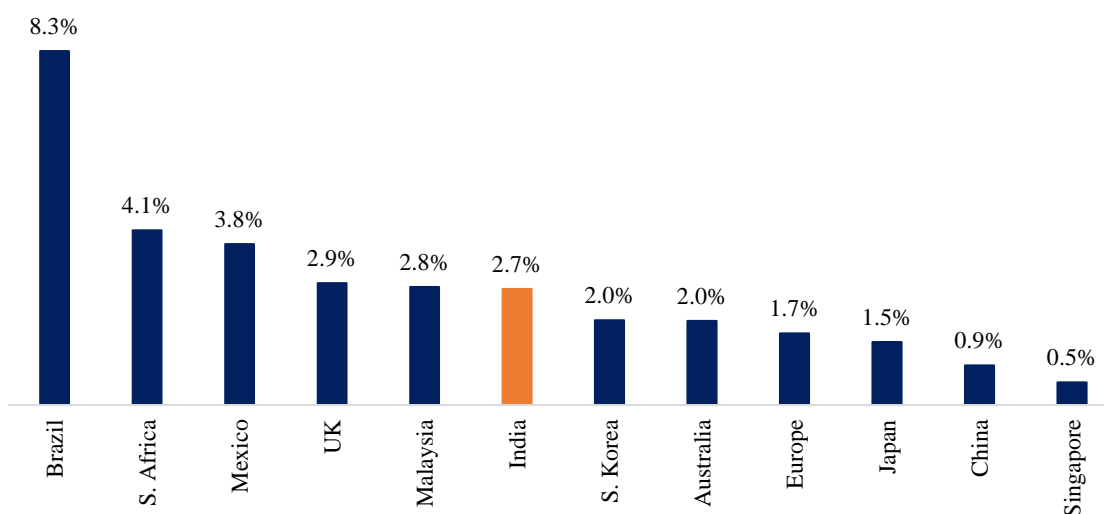
Source: IMF - Real GDP growth

### Indian Rupee has been stable in comparison to other currencies

Foreign exchange reserves touched US\$ 600 billion in May 2023, with India being the fourth largest forex reserves holder in the world, as of end-May 2023. (Source: Ministry of Finance, Government of India - Key Highlights of The Economic Survey 2022-23). Forex reserves as of FY 2023 was US\$ 579 Bn. The Forex reserves as of June 2023 at US\$ 593 bn.

While the exchange rates have been volatile over last few months basis the uncertain global macroeconomic backdrop, the Indian Rupee has been comparatively stable and has fared better in comparison to other markets over the long term. Due to strong forex reserves and proactive management by the Reserve Bank of India, Indian Rupee has witnessed moderate and predictable depreciation of approximately 2.7% from January 2015 to June 2023, as compared to the currencies of other emerging markets.

#### Annualized depreciation against US\$ (January 2015 – June 2023)



Source: Federal Reserve

### Favourable demographics: Growing middle class and young population

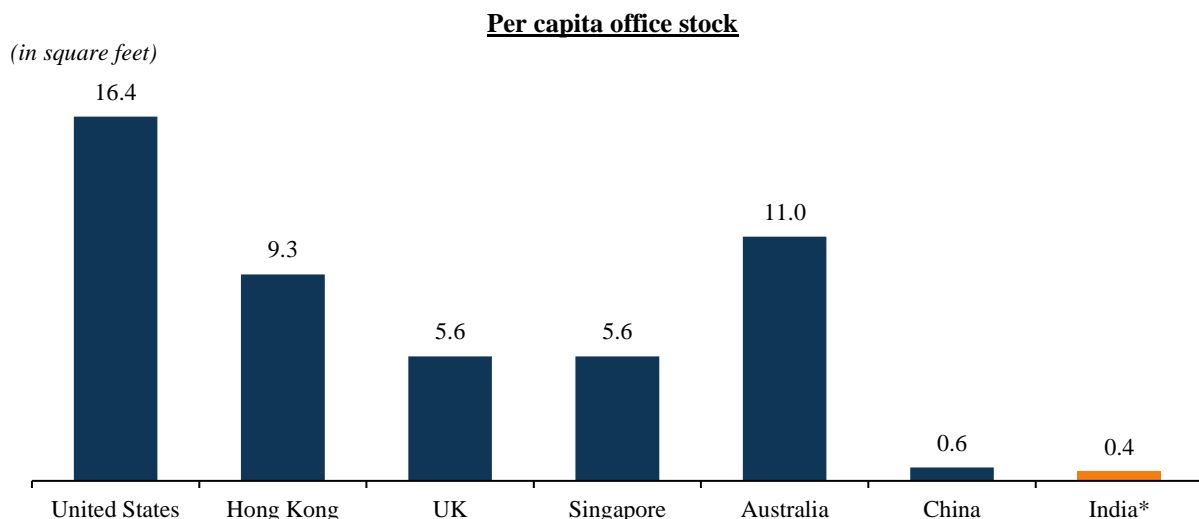
- Growing young population:** As per the data released by the Ministry of External Affairs, Government of India, as of 2022, India was home to a fifth of the world's youth demographic. This population advantage could play a critical role in achieving the nation's ambitious target to become a US\$ 5 trillion economy.
- Growing working class:** Around 62.5% of India's population is of working age, aged between 15 to 59 years, ensuring that India will have a demographic advantage. (Source: Ministry of External Affairs, Government of India). India's large population of educated youth stands in contrast to other global economies, which will likely have a shortfall of working age population caused by low birth rates and an ageing population. As a result, India is poised to remain an attractive destination for both local and foreign investments.
- Increasing urbanization:** At 508 million, India has one of the highest urban populations in the world in 2022, which was 1.84 times the total urban population of the United States. (Source: World Bank) India's urban population, which was 31.8% of total population in 2011, is expected to grow its share to 38.2% of the total population by 2036. The urban growth would account for approximately 73% of the total population increase by 2036. (Source: Ministry of Health and Welfare, Government of India)
- Leading science, technology, engineering and math ("STEM") workforce:** According to the National Association of Software and Service Companies ("NASSCOM"), during 2019-20, India had the highest number of graduate enrolments (36.39 million) across all programs after China (50.24 million). With over 30% graduates India contributes highest number of STEM graduates way past ahead of developed countries such as UK and USA.

## Overview of Indian office market

India’s office real estate landscape has significantly evolved over the last decade. From majority of office stock being unorganized into single standalone buildings with no amenities, the landscape has now consolidated with Grade-A developers owning large modern corporate IT parks with a rich amenity mix. The focus of developers on Grade-A developments, backed by institutional capital and increasing demand from multinational tenants, has led to the onset of campus developments. Multinational tenants have a strong preference for such developments due to a well-curated amenity mix and better employee experience. As a consequence, these campuses operate at lower vacancies and above average rental levels as compared to the micro-market in which they are located.

Grade-A office stock in Chennai, Mumbai, Pune, Hyderabad, Bengaluru, NCR and Kolkata (collectively referred to as “**Top Seven Indian Markets**”) has shown a CAGR of approximately 10.10 % from 2008 to Q1 2023. Bengaluru, Mumbai, Hyderabad and NCR are the top four markets in India by office stock as of March 31, 2023. Further, the individual CAGR of the Top Seven Indian Markets between 2008 and Q1 2023 have been in the range of 7% to 15%. The bulk of demand for Grade-A office stock in India is from multinational corporates based out of the United States and the European Union.

The growth of supply in the Top Seven Indian Markets is yet catching up to the demand for quality office space. Between 2015 and Q1 2023, these markets have seen a total net absorption of approximately 228.85 msf. Although India’s office markets are well established, India’s per capita office stock of 0.4 sf is minimal as compared to the developed markets of the world such as the United States of America (16.4 sf), Hong Kong (9.3 sf), United Kingdom (5.6 sf), Singapore (5.6 sf) and Australia (11.0 sf). Low per capita supply along with growth of services sector in India and increasing traction from international tenants has led to a higher absorption in major Indian cities compared to some of the other global office markets.



Source: Cushman & Wakefield Research and World Bank Population Data April 2023

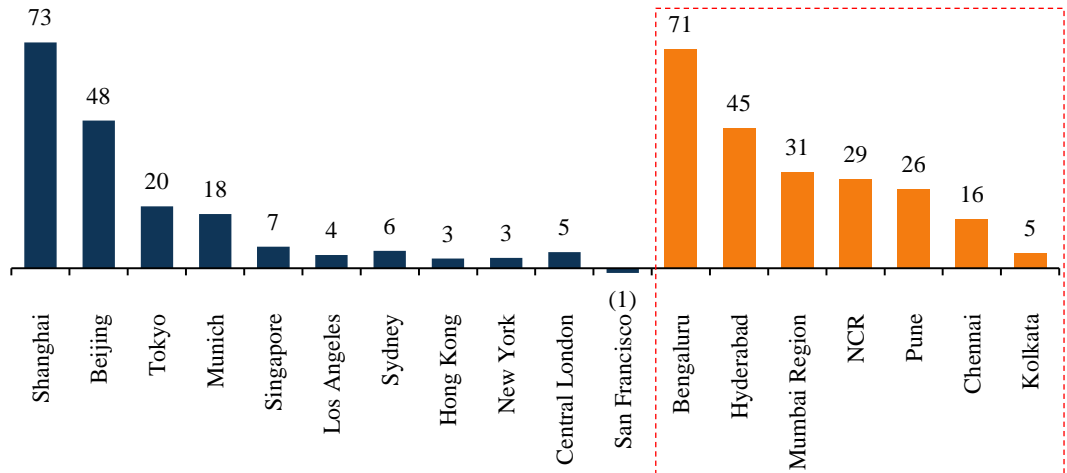
\* Top Seven Indian Markets

**Comparison between key Indian and select global cities**

Growth of services sector in India along with the increasing traction from international tenants has led to a higher absorption in major Indian cities.

**Indian office market present significant growth potential**

(Total Grade-A office net absorption in msf between 2015 and Q1 2023)



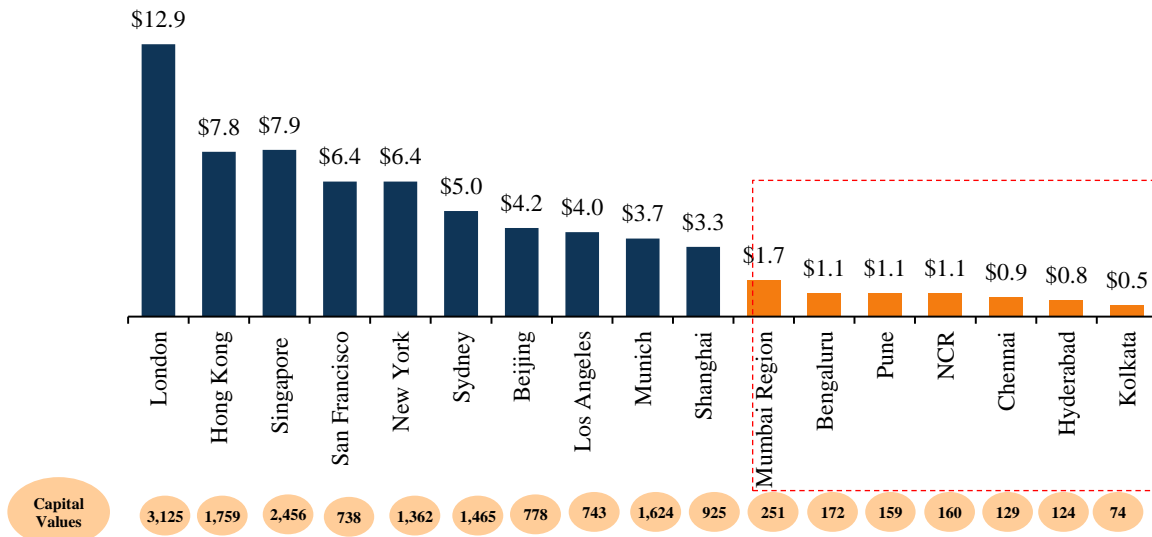
Note:

1. Definition of "Grade-A" development varies between different markets basis occupancy profile, quality of development, location, and other such factors.
2. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals, among others. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
3. Only the relevant stock of NCR and Kolkata has been considered for this analysis which excludes the buildings with an area of less than 100,000 square feet and applying certain other criteria. Additionally, for Noida and Kolkata, non-IT buildings have been excluded from stock.

The Top Seven Indian Markets offer affordable office spaces in comparison to the global cities thereby gaining more traction from both domestic and international companies. Capital values in Indian cities are significantly below other global peers. Although the REIT properties have premium infrastructure and tenants, average capital values of office assets in the REIT cities are US\$ 162 psf as of Q1 2023, implying a discount of approximately 88%-93% to Grade-A properties in New York, Singapore, and Hong Kong

**Rentals and valuations continue to be attractive for Indian markets**

(Rentals as of Q1 2023 in US\$ psf per month)

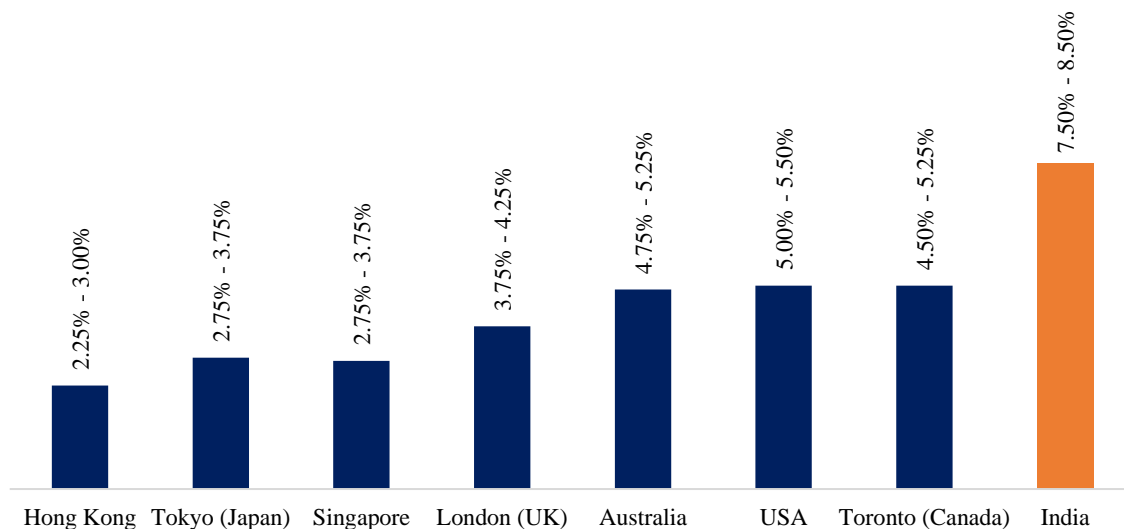


Note:

1. For Indian cities, as per Federal Reserve website, exchange rate as of March 31, 2023 has been taken as ₹82.19 per US\$.
2. The rentals presented above are weighted average values (computed on completed stock).
3. The rentals presented above denote likely achievable values. Actual achievable rent may vary +/- 10% from the considered rentals depending upon negotiations, final structuring of the lease agreement and other parameters.
4. Capital values (US\$ psf) are reported for respective countries as of Q1 2023.

The capitalization rates as of Q1 2023 are in the range of 7.50% to 8.50% depending on, among others, in-place rentals as against market rent, outlook on rental growth, demand and supply dynamics of the city, and micro market. Indian office space offers an attractive yield with around 300-545 bps premium over other global cities.

**Global capitalization rates as of Q1 2023**

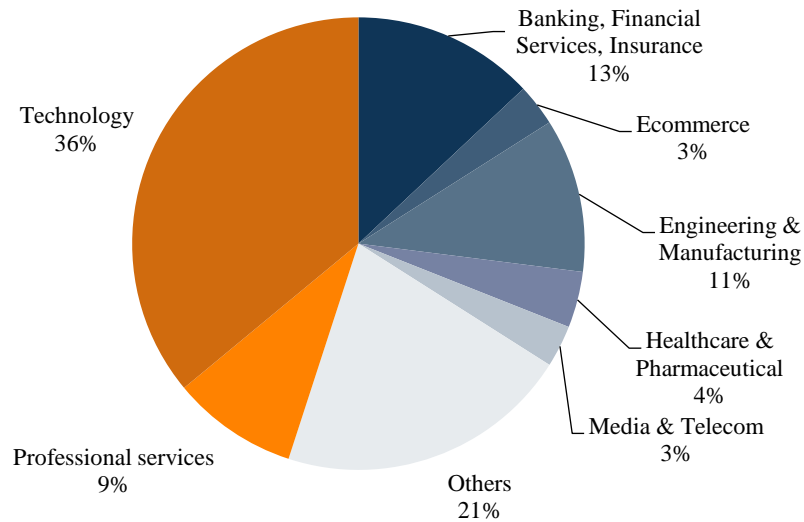


**Key drivers of office demand**

**Sectoral demand trend analysis**

With strong growth in the Indian services sector and increasing penetration of GCCs providing high value-added services, the Top Seven Indian Markets have attracted a majority of tenants from the technology sector as illustrated below:

**India – Sectoral Absorption Analysis 2015 – Q1 2023 (395.81 msf)**



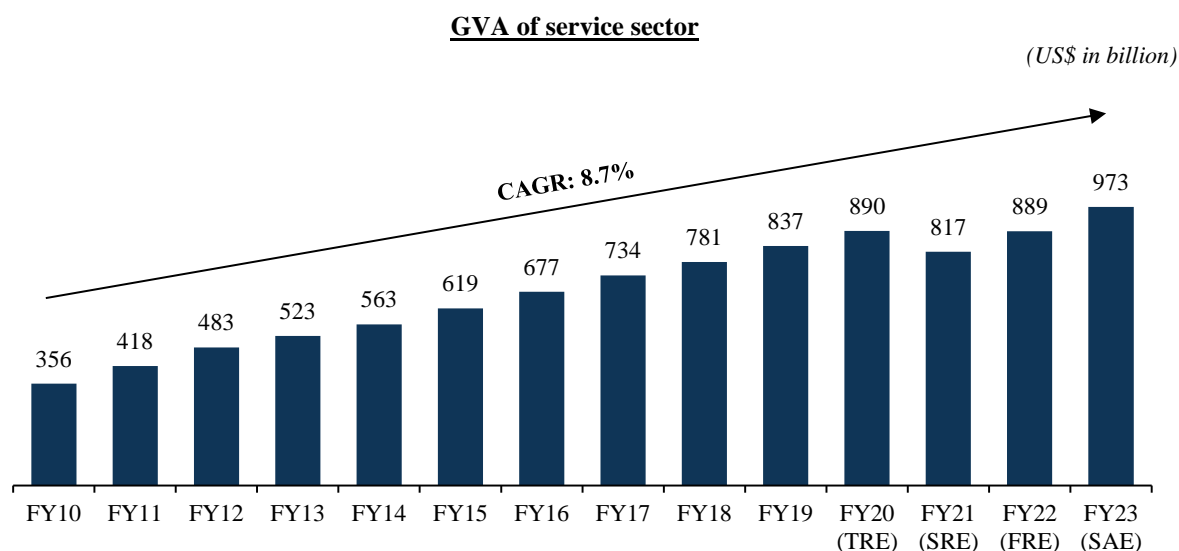
**Note:**

1. The sectoral absorption analysis is based on gross absorption activity in the Top Seven Indian Markets, including any relocations or consolidations.
2. Only the relevant stock of NCR and Kolkata has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet and applying certain other criteria. Additionally, for Noida and Kolkata, non-IT buildings have been excluded from stock.
3. Others include automobile, education, flexible workspaces, hospitality, logistics, shipping, oil and gas, research and analysis, food and beverage, real estate, and related services.
4. The sectoral absorption analysis is based on gross absorption activity of NCR's relevant stock i.e., including any relocations, consolidations etc. all pre-commitments & sale/purchase transactions are excluded from this analysis.

**Technology sector: Mainstay of office demand in India**

The structural shift of the Indian economy from agriculture to manufacturing and services is largely credited to the emergence of the Indian technology industry. The services sector continues to be the key driver of the Indian economy and represented approximately 62.7% of the India’s GVA for the Financial Year 2023 as compared to 22.2% for industry and 15.1% for agriculture.

The growth of services sector has outperformed the Indian GDP growth rate in the past years. The GVA of service sector increased from INR 29,276 billion in the Financial Year 2010 (US\$ 356 billion) to INR 79,964 billion (US\$ 973 billion) in Financial Year 2023 at a CAGR of 8.7%. As a result of the growth of the Indian services sector, the demand for office space in India has increased.



Source: RBI & MOSPI. Note:

1. As per RBI, exchange rate as of March 31, 2023 has been taken as ₹82.19 per US\$, for all the years.

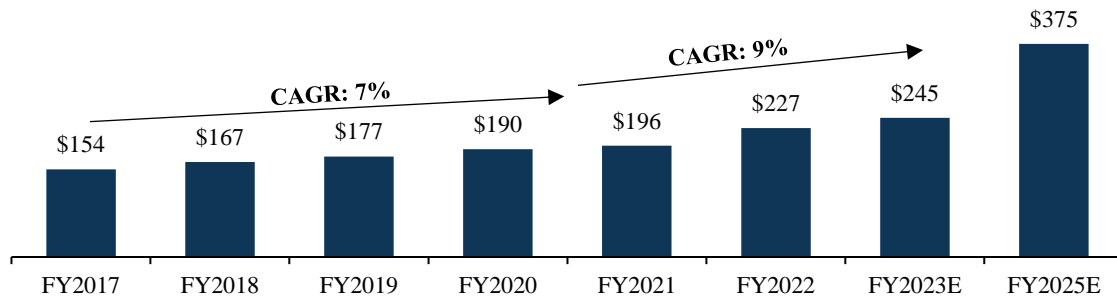
India’s technology services sector has successfully transitioned from being a low-cost support and business process outsourcing location to a hub for high-end value-added services and digital business offerings such as internet of things, cloud, analytics, block chain and digital solutions. The introduction of lockdowns pursuant to the COVID-19 pandemic has pushed the demand for remote working platforms and tools leading to rapid adoption of cloud. The industry remained exceptionally resilient during first, second and third waves of the pandemic based on use of technology leading to increased spending on technology, accelerated adoption of technological developments and digital transformation. The users have also spent heavily on digital platforms including gaming, digital content, social media, and e-commerce. These factors pushed global technological spend (excluding hardware) to over US\$ 1.7 trillion in 2021, at nearly 9% year-on-year growth, and reached US\$ 1.8 trillion at 6.5% growth in 2022. The global sourcing market also witnessed significantly higher growth at approximately 12-14% reaching around US\$ 238-243 billion in 2021.

For FY2023E, India’s technology industry revenue including hardware is estimated to cross \$245 Bn (8.4% y-o-y growth over FY 2022), an addition of \$19 Bn over last year. With rapid digitalization across the value chain, end user industries are primed to adopt holistic and high-end enterprise performance solutions and are expected to contribute around US\$ 350-400 billion to the Indian economy by 2025.



**Technology sector in India – Total revenue**

(US\$ in billion)

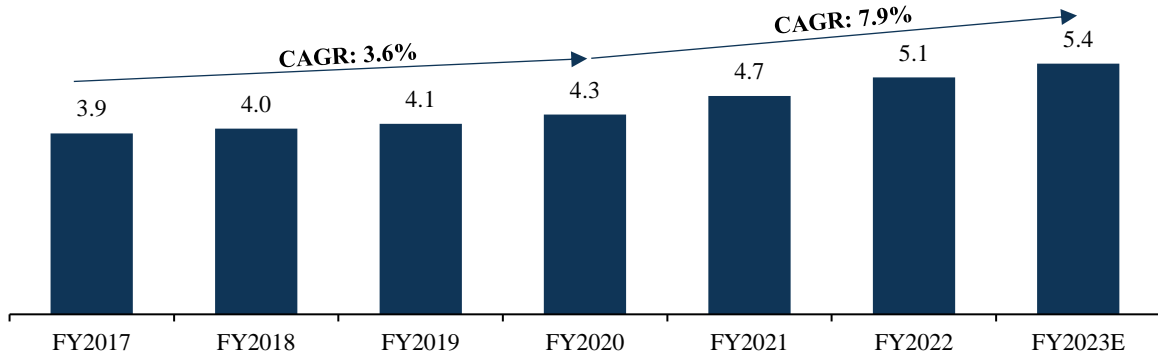


Source: NASSCOM, Technology sector in India 2022 - Strategic Review 2022

The technology industry plays a pivotal role in terms of employment generation as it employs the highest number of people in the country in private sector. The continuous rise in digital adoption during the year continued to push the demand for technology companies. As per NASSCOM, the industry is expected to employ approximately 5.4 million people in the Financial Year 2023, with a net addition of 2,90,000 employees.

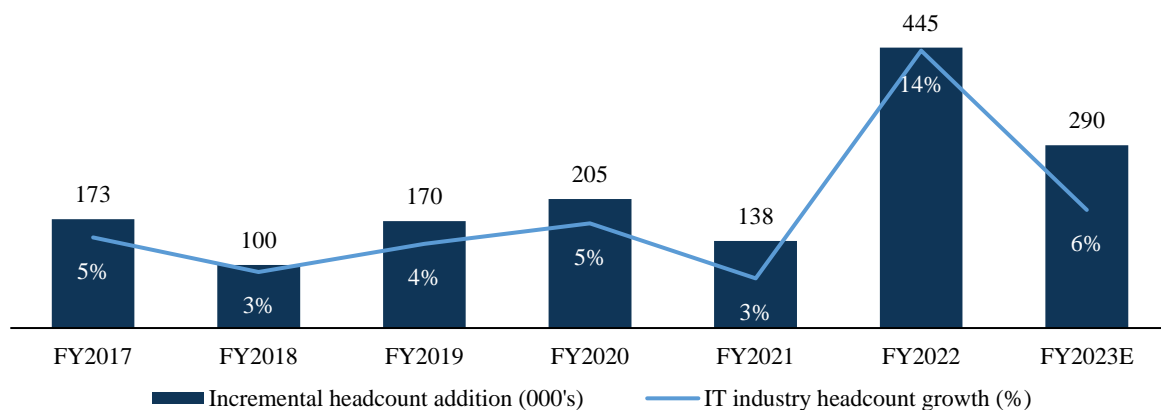
**Technology: Total direct employees**

(in million)



Source: NASSCOM

**IT industry incremental headcount addition (000's) and year on year headcount growth (%)**



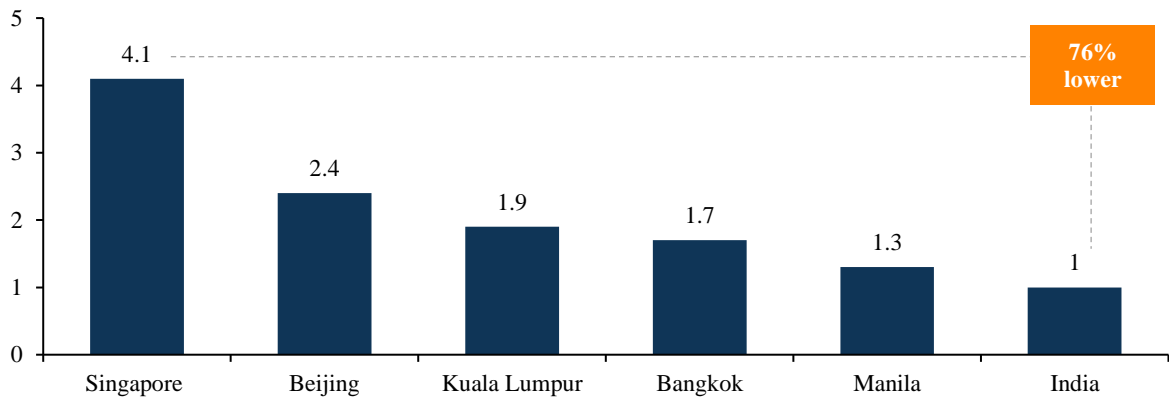
Source: NASSCOM

This trend showcases the possibility of technology sector playing a substantial role in employment generation in the future.

**Demand drivers of the Indian technology industry**

- Competitive cost advantage. India is one of the preferred destinations for technology services in the world and continues to be a leader in the global outsourcing industry. The country’s unique selling proposition is its cost competitiveness in providing technology services, which are relatively more cost-effective than the United States. According to NASSCOM’s Strategic Review 2022 Report, India provides services at approximately 76% lower costs than Singapore, where operating cost is approximately 4.1 times of India. The following graph sets forth the operating cost per full-time employee for information technology – application data management services across countries for select cities in the world:

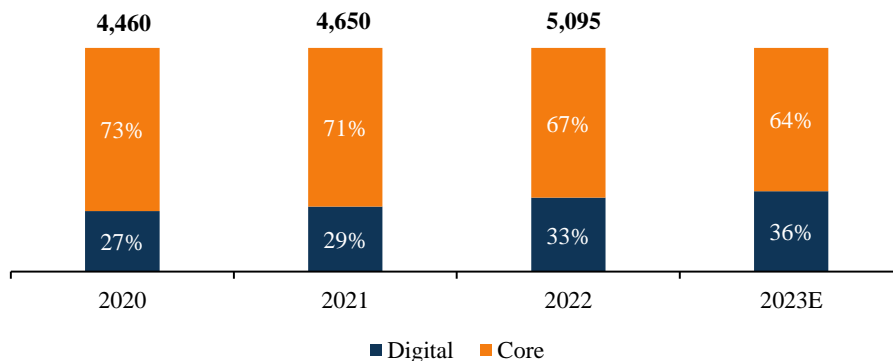
**Operating cost index per full time employee for information technology – application data management services across countries, 2021**



Note: India includes the operating cost per full time employees of Pune city only.

- Availability of talent pool and affordable high-quality office infrastructure. India has one of the most highly qualified pool of engineering talent in the world after China, witnessing a 15% y-o-y increase in the talent count from 2021 – 2022. Further India has more than two million students graduated in STEM disciplines in the Financial Year 2021. Student enrolments in under-graduate programs have also increased at a CAGR of 2.5% over the last five years. As of Financial Year 2023, India’s technology industry employed over 5.4 million personnel of which nearly 2 million were digitally skilled. Resultantly, India’s digital talent is growing five times faster than the core IT talent. Notably, digital talent supply across key digital skills such as cloud computing, artificial intelligence, big data analytics, and internet of things have increased at a CAGR of over 20% in the last five years.

**Digital talent (in million) and share in total technology sector employment (in %)**



Source: NASSCOM: Technology Sector in India 2022- Strategic Review 2022

This has facilitated India’s emergence as a preferred technology destination for multinational companies. Since, due to the global nature of the work, technology companies often require ever-accessible infrastructure, with the growth of Grade-A buildings leading to availability of premium workspaces at cost-effective rentals, India is an affordable destination for technology companies from

across the world.

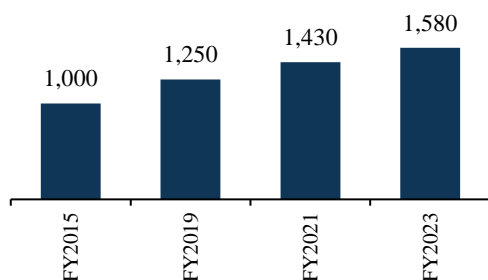
- **Supportive government policies:** Policies such as tax exemption to start-ups, liberal system for raising global capital, national program on artificial intelligence, among others, are some of the policies introduced by the Government of India in the recent years. The Government has outlined multiple initiatives to boost the technology ecosystem in India.
- **Domestic demand.** While the United States of America continues to be the biggest market for India’s technology industry, the domestic demand has significantly increased recently. The initiatives by the central and the state governments, including, among others, setting up e-governance, an inclusive system of digital payments, smart-cities, smart transport and mobility services, and blockchain adoption have fueled the demand for technology services. Moreover, as a country with the youngest population in the world, India is a growing internet market with approximately 27 billion application downloads in the Financial Year 2021 (CAGR of 19% from 2019 to 2021). Further, as of June 2022, there were 837 million internet subscribers in India with average time spent on smartphones amounting to 4.7 hours per day. Such consumer base and the impetus from the Government has expanded the demand for digital consumer services, and has created operational and business roles in addition to technical support roles in the technology sector.
- **Emergence of new sectors.** The demand for IT and integration technologies has gained momentum with the emergence of sectors like educational technology, agricultural technology, and financial technology in the economic landscape. The sector thrives on large volumes of consumer data which is essentially provided by technology services. Agricultural technology is a sector wherein the complete business cycle is executed in India, and therefore it is expected to build a parallel market for ‘internet of things’ products and services, machine learning and artificial intelligence.

**Growth of the global captive centers**

GCCs in the country continue to catalyse business transformation, ably supported by innovation, digitization, and efficient workforce. India has the lowest demand-supply gap in the world in terms of technological talent. Proliferation of digital and a maturing technology ecosystem are actively adding to the growth of GCCs in India. Due to availability of skilled talent pool at competitive prices and affordable infrastructure, India continues to gain higher traction from multi-national companies for establishing GCCs / GICs.

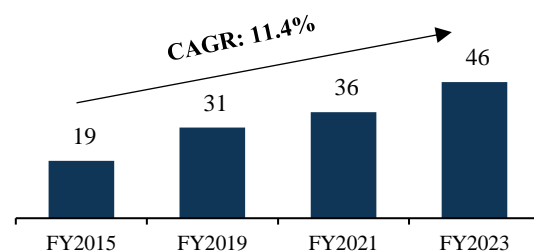
India hosted approximately more than 1,580 GCCs in Financial Year 2023 which generated revenue of almost US\$ 46 billion and employed more than 1.66 million people in the Financial Year 2023. The quality of India’s workforce and office infrastructure have resulted in several multinational companies setting up GCCs in India. The GCC market size has also increased rapidly at a CAGR of 11.4% from US\$ 19.4 billion in the Financial Year 2015 to US\$ 46 billion in the Financial Year 2023

**GCC evolution in India (number of GCCs)**



**GCC revenue**

(GCC Market Size, US\$ in billion)

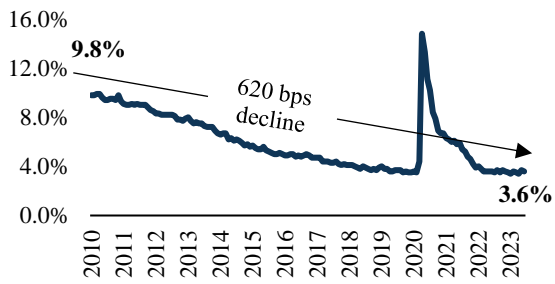


Source: NASSCOM GCC 4.0 India Redefining The Globalization Blueprint

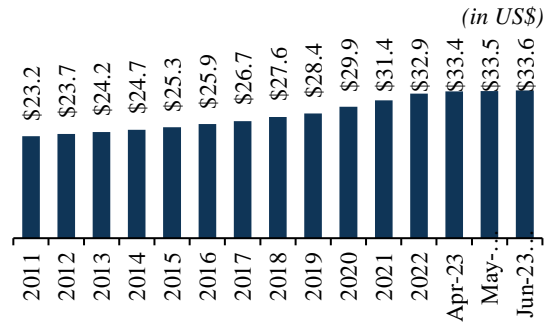
The low unemployment rate in the United States of America and rising wage levels have further accelerated the demand and growth of GCCs in India. Decline of 620 bps had been registered in unemployment from 9.8% in 2010 to 3.2% in January 2023. Further, the average hourly wages have increased from US\$ 23.2 in 2011 to US\$ 35.58 in June 2023P.

**Unemployment rate in the United States of America**

**Average hourly wages in the United States of America**



Source: U.S. Bureau of Labour Statistics

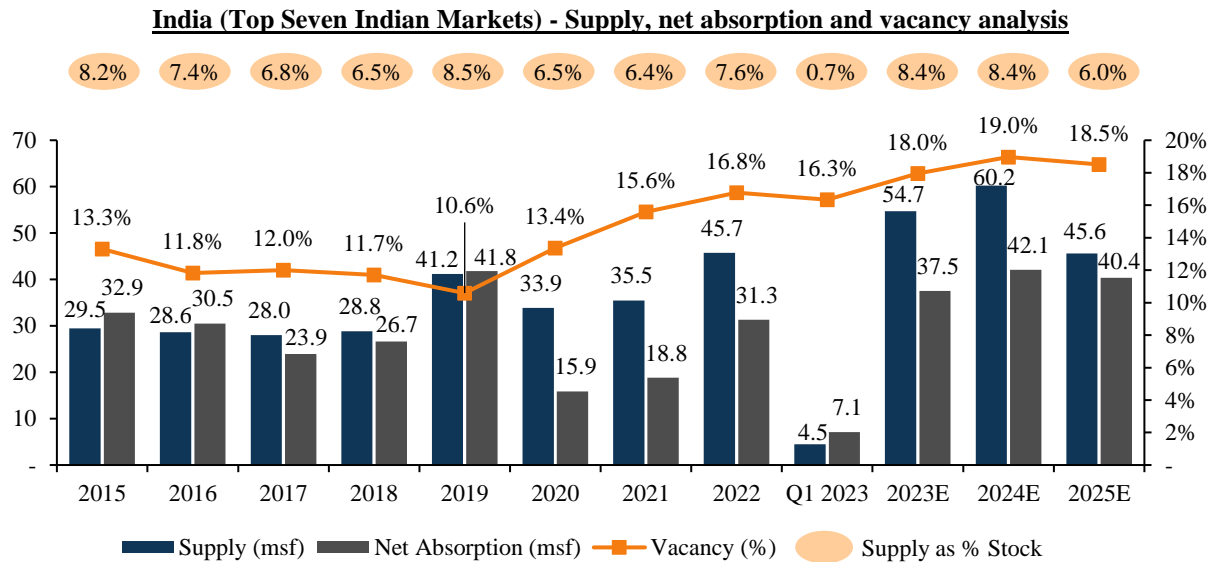


Source: U.S. Bureau of Labour Statistics

With the growth in GICs/GCCs, the demand for real estate from these companies have also seen an increase. These companies generally have high stickiness and typically prefer office spaces which offer large floor plates, amenities in the park and have proximity to the talent pool catchment areas.

### Top Seven Indian Markets trend analysis

Approximately 275.62 msf of new supply had been delivered in the Top Seven Indian Markets from 2015 to Q1 2023. The net absorption was largely in line with the supply and reached a total of approximately 228.85 msf from 2015 to Q1 2023. The average annual net absorption from 2015 to Q1 2023 was approximately 27.74 msf. Additional supply of approximately 50.22 msf is expected to be delivered in these top seven cities by end of 2023, of which, approximately 30.41 msf is expected to be absorbed by end of 2023. The following graph sets forth the supply, absorption and vacancy trends for the Top Seven Indian Markets:



**Note:**

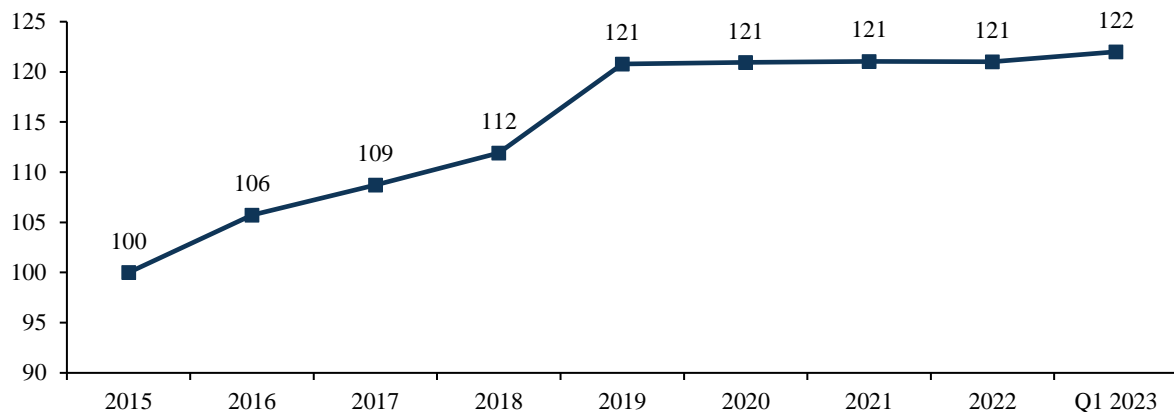
1. For NCR and Kolkata, the relevant supply has been considered for this analysis excluding the buildings with an area of less than 100,000 square feet and applying certain other criteria. Additionally, for Noida within NCR and Kolkata, non-IT buildings have been excluded from supply.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year and excludes pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

### Rental analysis

The combined rentals in India have grown at a CAGR of 2.74% from 2015 to Q1 2023. Cities like Bangalore, Chennai, Pune and Hyderabad are leading the rental growth with CAGR ranging between 3.5% to 4.8% for the period between 2015 and Q1 2023. The following chart sets forth rental trend analysis for the Top Seven Indian Markets:

**India (Top Seven Indian Markets) - Rental trend analysis**

(rentals indexed to 100, (INR/psf/month))



Note:

1. Each of the above presented indexed rentals is a weighted average value (computed on completed stock).
2. For NCR and Kolkata, the relevant stock has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet and applying certain other criteria. Additionally, for Noida and Kolkata, non-IT buildings have been excluded from stock.
3. The weighted average rentals indexed above denote likely achievable values. Actual achievable rental may vary +/- 10% from the considered rentals depending upon negotiations, final structuring of the lease agreement and other parameters.

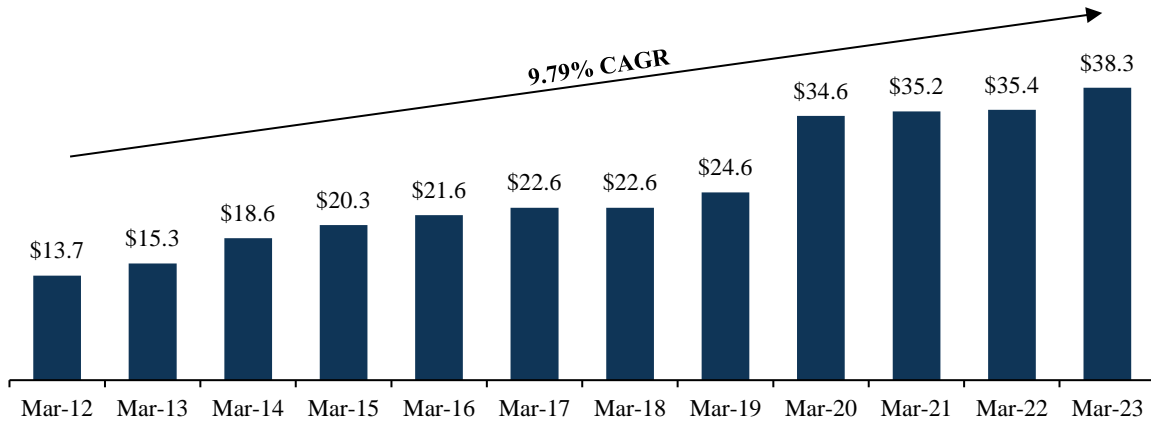
**Prominent trends in the Indian office market**

- **Changing profile of tenants:** The scope of work of technology occupiers and GCCs has seen an improvement in quality over the past years. The tenants have moved from low end support work to high value work such as analytics and artificial intelligence, among others. Such tenants tend to focus on building quality, amenities and facility management, and are comparatively less sensitive to costs.
- **Increasing demand for high quality office space:** Youth driven business, changing lifestyles, and the need for flexible work drives the tenants to look for superior quality Grade-A office spaces with amenities such as food courts, gymnasium and retail facilities, among others. Additionally, large-scale organized market-level infrastructure will be the key differentiator when leading tenants select markets going forward.
- **Consolidation and expansion strategies to business parks:** Companies in India especially GCCs have started consolidating and expanding their offices to suburban / peripheral location due to multiple driving factors. Some of these factors include, improving operational efficiency, synergies due to consolidation in one integrated park, lower costs through economies of scale, higher quality of office space /amenity mix and better experience and engagement. These tenants also prefer consolidated office spaces in parks developed by organized developers due to the large scale of assets and the ability of these large office parks to provide expansion space in future through new development or expiration of existing leases.
- **Organized office developers:** India's office real estate landscape has changed over the years from single standalone buildings with no amenities by unorganized or small-scale developers to large corporate parks with focused amenities by organized developers. Further, the developers' focus on Grade-A office developments, backed by institutional investors and increasing demand from multinational tenants also led to the onset of campus developments. Demand for larger quality offices and corresponding increase in capital requirement favor large, organized office players with well-funded balance sheets.

Additionally, a more cautious approach taken by banks in relation to lending to real estate sector has further restricted the ability of unorganized players to access financing.

**Lending to commercial real estate**

(US\$ in billion)



Source: RBI - Sectoral Deployment of Bank Credit – March 2023

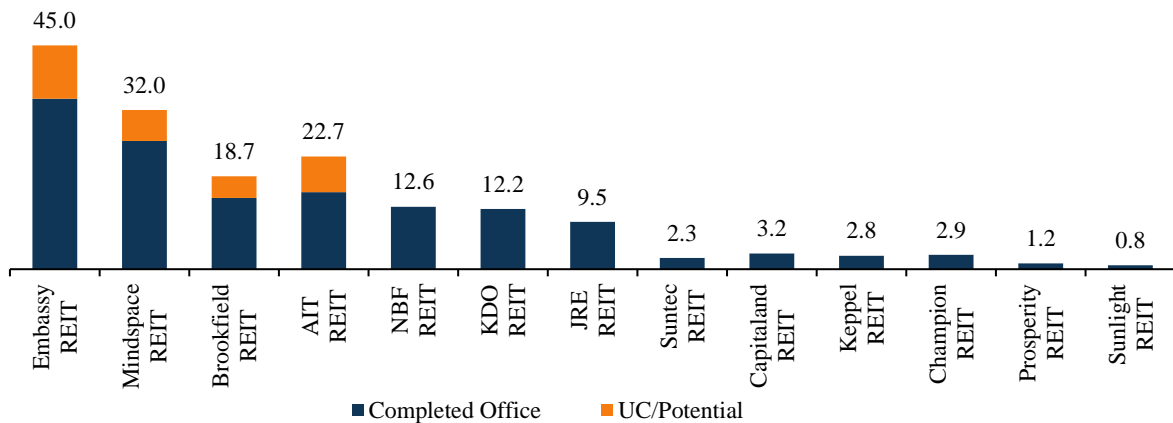
Note:

- As per Federal Reserve website, exchange rate as of March 2023 was ₹82.19 per US\$. This is used as a conversion factor to report the gross outstanding credit (reported to RBI in ₹ crore) with commercial real estate sector in US\$ billion.

With the changing landscape of the commercial real estate, the sector is witnessing emergence of large, organized office developers. The REIT market in India has also picked up the momentum. Mentioned below is the snapshot of select Asian office REITs

**Asian REITs Comparison**

(Gross leasable area in msf – as of 2022)



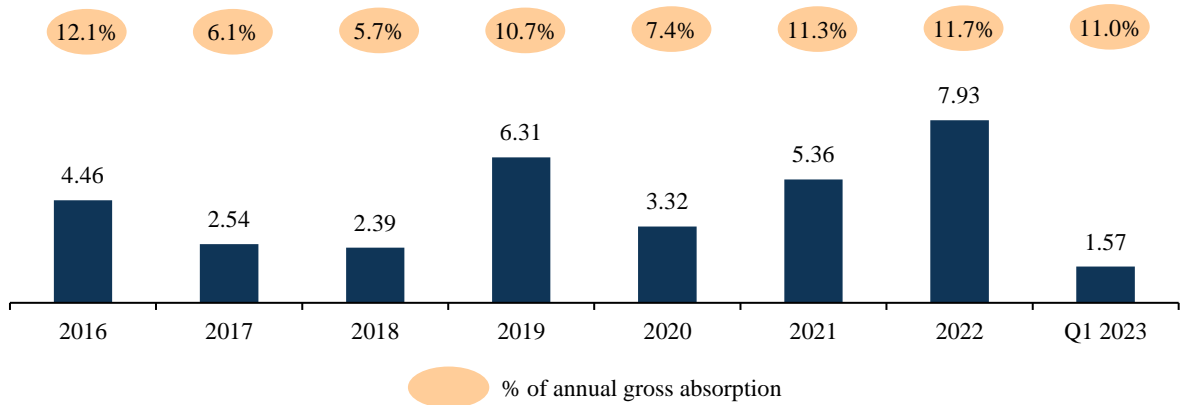
Note:

- UC/Potential includes Under Construction Area and Future Development Area.
- Area numbers given for aggregate for the REIT. Data is based on information available in the public domain.
- KDO REIT represents Kenedix Office Investment Corporation REIT, JRE REIT represents Japan Real Estate Investment Corporation REIT, NBF REIT represents Nippon Building Fund Management REIT and AIT represents Ascendas India Trust.

- *Tenant relationship strategies:* Tenant relationships in India have improved as organized real estate developers offer integrated high-quality parks/ campuses with developed ecosystem offering amenities such as retail facilities, crèches, food, and beverage facilities which are in line with the current and potential demand of these tenants. Indian real estate companies have low tenant Improvement capex (2%-5%) as compared to US real estate companies (10%-20%).
- *Increasing demand from Indian origin IT service companies:* The gross absorption for office space from Indian origin IT firms has increased from 4.46 msf in 2016 to 7.93 msf in 2022 due to: (i) rise in annual employee addition per annum; and (ii) higher adoption of asset light leasing office space as against capital intensive office ownership. Q1 2023 has already witnessed gross absorption of 1.57 msf.

**Rising annual gross absorption from Indian IT firms**

(area in msf)





## Brookfield REIT Markets

The Brookfield REIT comprises of Grade-A commercial assets located in four major cities - Mumbai, Gurugram, Noida and Kolkata. These cities have exhibited strong economic fundamentals, healthy demand across sectors and quality supply addition of office space which are critical drivers for real estate sector. The office stock in Gurugram, Noida and Kolkata has been segmented into non-strata and strata owned for detailed comprehension of office stock comparable to Brookfield REIT. Non-strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation. Strata office stock on the other hand has multiple ownership for a single office development (the stake of each ownership in such developments is minimal). Certain key highlights of the Brookfield REIT Market's non-strata owned office stock are as follows:

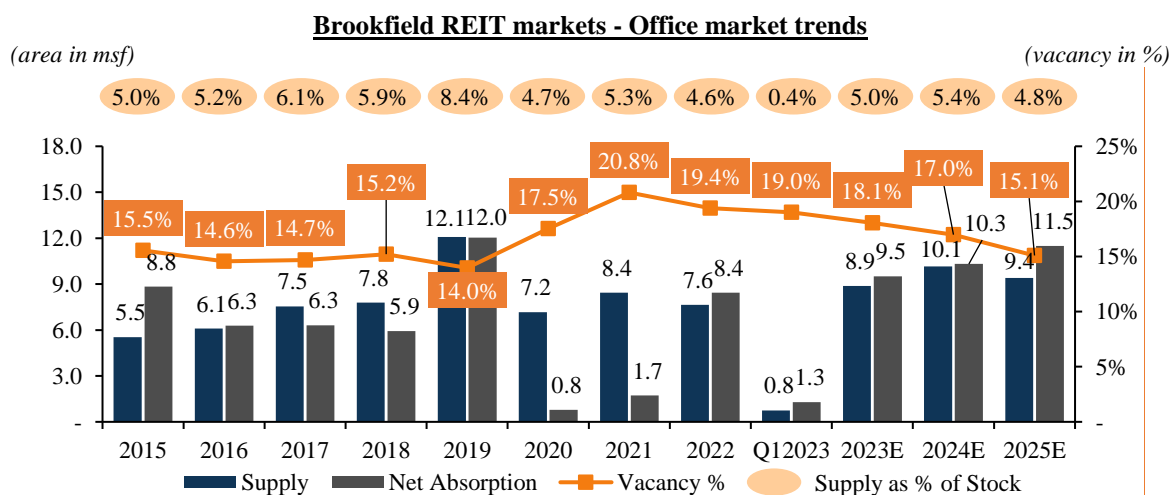
Particulars	Mumbai	Gurugram (Non-Strata)	Noida (Non-Strata)	Kolkata (Non-Strata)
Total completed stock (Q1 2023) (msf)	104.80	39.30	17.05	6.88
Current occupied stock (Q1 2023) (msf)	83.34	33.04	13.38	6.31
Current vacancy (Q1 2023)	20.48%	15.92%	21.52%	8.27%
Average annual net absorption (2015 – Q1 2023) (msf)	3.80	1.55	0.69	0.21
Future supply (Q2 2023E – 2025E) (msf)	16.25	9.11	1.77	0.56

Note:

1. Only the relevant supply of Gurugram, Noida and Kolkata have been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned office developments and applying certain other criteria. Additionally, for Noida and Kolkata, non-IT buildings has been excluded from supply.
2. The net absorption value refers to the net additional leasing activity which has occurred in the year and excludes precommitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

### Supply, absorption, vacancy trends in the Brookfield REIT markets

The Brookfield REIT Markets have exhibited strong market dynamics with robust absorption and limited high-quality supply resulting in lower vacancy levels and robust rental growth during the last 8.25 years. Between 2015 and Q1 2023, 63.23 msf of non-strata owned supply (except for Mumbai, where overall office stock is considered), was delivered in the Brookfield REIT Markets, while the net absorption was 51.62 msf. The following graph sets forth the supply, absorption and vacancy trends for the Brookfield REIT Markets:



Note:

1. Only the relevant supply has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet and applying certain other criteria. Strata owned office stock in Gurugram, Noida and Kolkata have been excluded from supply. Additionally, for Noida and Kolkata, non-IT buildings has been excluded from supply.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year and excludes pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

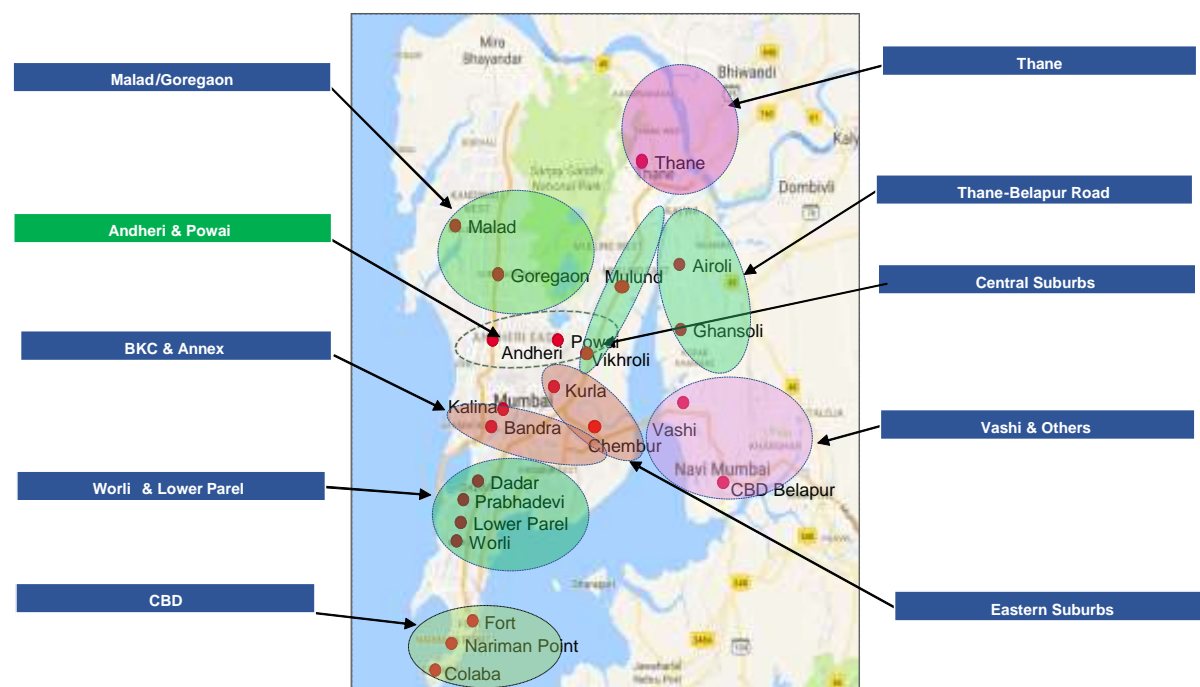
## **1. Mumbai region**

Mumbai is the financial capital of India with headquarters of most of the large corporates across all sectors. The city has excellent transport infrastructure and is well connected globally. Major industrialization in the last three decades has made Mumbai one of the most favoured destinations for investment in India. The city has business opportunities across sectors and is becoming a major center for services and outsourcing industries, including IT related services. The government has announced a host of policies to support the services and technology sector in the state of Maharashtra and Mumbai has emerged as one of the key beneficiaries. The key drivers of demand for office space in the Mumbai Region are as follows:

- *Financial capital and services hub:* Mumbai houses corporate head offices of firms/corporates across sectors, including, many Indian banks such as ICICI Bank and HDFC Bank, and stock exchanges such as, NSE and BSE. It is also home to global consultancy firms, legal and professional services, media houses, and accounting professionals, such as, Boston Consulting Group, HDFC Bank, Ernst & Young, Johnson & Johnson, Warburg Pincus, Hindustan Unilever, Nestle, McKinsey & Company, Procter & Gamble and BNP Paribas, among others.
- *Global in-house centers/ GCCs:* Mumbai is a hub for GICs/GCCs of many investment banks mainly from the North American and European markets such as Deutsche Bank, Bank of America and JP Morgan, among others.
- *Social infrastructure:* Mumbai has established educational institutions and colleges (Indian Institute of Technology - Bombay, Narsee Monjee Institute of Management Studies, S. P. Jain Institute of Management and Research, National Institute of Fashion Technology, among others), malls (Phoenix Palladium, High Street Phoenix, R City, Oberoi Mall, Inorbit Mall, etc.), hospitals (Lilavati, Hiranandani, Fortis, Tata Memorial Hospital, Jaslok Hospital, etc.) and hotels (St. Regis, Renaissance, JW Marriott, Hilton, Four Seasons, ITC Maratha, Leela, etc.).
- *Transport infrastructure:* Mumbai is well connected by road and also provides good railway connectivity with three railway lines, an operational metro line and a monorail line. Mumbai is also well connected by air with other cities in India and other global cities with the help of two operational passenger terminals and one cargo terminal at Chhatrapati Shivaji Maharaj International Airport. Mumbai is the gateway city of India with second busiest airport connecting to 61 domestic and 48 international destinations). Mumbai region also has the largest container port of India.
- *Ongoing/planned infrastructure projects:* Key initiatives include Navi Mumbai International Airport, multiple metro lines, various road projects and the monorail.

### Mumbai region office market

The Mumbai region office market consists of ten micro-markets: Central Business District (“CBD”), Andheri and Powai, Thane-Belapur Road, Malad-Goregaon, Worli-Lower Parel, Bandra Kurla Complex (“BKC”) and Annex, Thane, Central Suburbs, Eastern Suburbs and Vashi and others. The map below reflects the commercial hubs of the Mumbai region:



Note: The map is not to scale.

The Mumbai suburbs consists of four micro-markets - Andheri and Powai, Malad – Goregaon and Eastern suburbs. The table below sets forth the statistics of CBD and the Mumbai suburbs’ micro-markets:

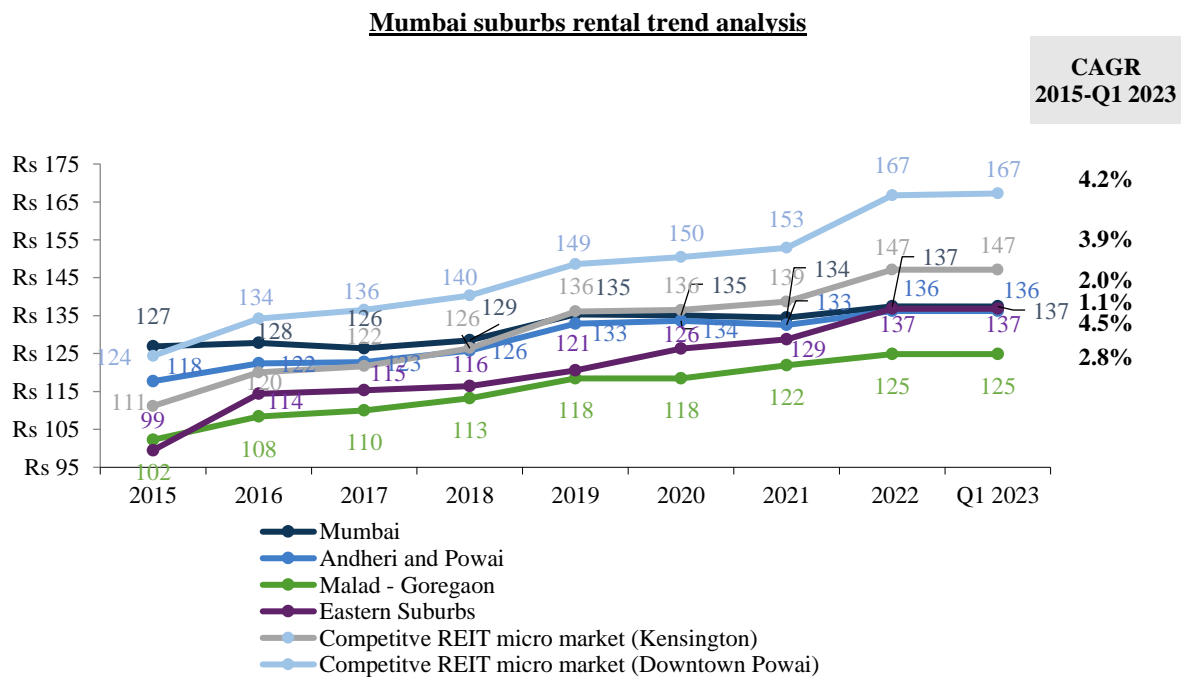
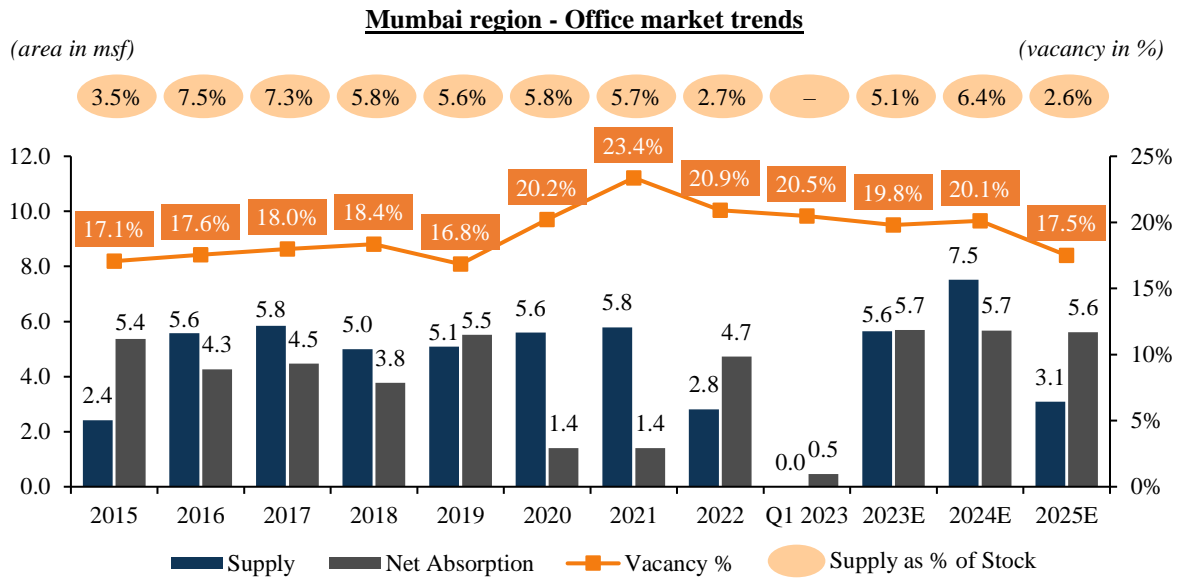
Particulars	Mumbai-Overall	CBD	Andheri and Powai (1)	Malad - Goregaon	Eastern Suburbs	Competitive REIT <sup>(2)</sup>
Total completed stock till Q1 2023 (msf)	104.80	2.08	20.86	14.78	6.06	17.03
Current occupied stock till Q1 2023(msf)	83.34	1.86	18.14	12.63	4.86	14.86
Current Vacancy Q1 2023 (%)	20.5%	10.4%	13.0%	14.6%	19.9%	12.7%
Avg. Annual Absorption - 2015 – Q1 2023 (msf)	3.80	0.00	0.51	0.55	0.19	0.63
Future supply (Q2 2023E – 2025E) (msf)	16.25	-	5.47	1.80	0.00	4.95
Market Rent - Q1 2023 (INR psf / month)	137.41	231.59	136.22	124.86	136.82	*167.23

Note:

1. Kensington is located in this micro-market.
2. A competitive REIT micro-market (comprising Andheri, Powai, Malad, Goregaon and Eastern Suburbs) has been created for the purposes of comparison to Kensington which consists of peer set i.e. large corporate parks and certain other additional criteria.
3. Rentals for Kensington and Kairos Properties have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include fresh leases and renewals from existing tenants, adjusted to asset level efficiency.

**Mumbai region: Supply, absorption, vacancy and rental trend analysis**

As of Q1 2023, approximately 104.8 msf of Grade-A stock is present in Mumbai region. Mumbai region, on average, has witnessed a supply of approximately 5-6 msf each year, and it is expected to reach approximately 13.16 msf of upcoming supply during Q2 2023E to 2024E in the Mumbai region.



**Note:**

- The rentals are in ₹ psf/month and based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
- Rentals presented above are weighted average values on completed stock.
- Rentals for Kensington and Kairos Properties have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include fresh leases and renewals from existing tenants, adjusted to asset level efficiency.

**1A. Competitive REIT micro-market: Comparable set of buildings in Andheri and Powai, Malad and Goregaon and Eastern Suburbs**

The Competitive REIT micro-market is amongst the most established commercial micro-market in Mumbai with several commercial, residential and other social projects. Kensington is the only private IT/IT enabled services’ special economic zone in this micro-market and is located in close proximity to talent pool catchment area with good accessibility and connectivity with the major hubs and transport nodes. Demand for office space in this micro-market has significantly increased over the last few years due to larger properties, improving infrastructure, availability of quality affordable residences and excellent connectivity to other parts of Mumbai. The following map sets forth the social infrastructure of the Competitive REIT micro-market:



Note: The map is not to scale.

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Kanakia Wall street (8.1 km)	1. Hiranandani Hospital (6.4 km)	1. Galeria (0.5 km)	1. Renaissance Commercial Tower (3.7 km)	1. Ramada Plaza (3.9 km)	1. IIT Powai (1.5 km)
2. Supreme Business Park (0.7 km)	2. Hiranandani School (0.5 km)	2. Binge Central (0.8 km)	2. Runwal RMI (13.0 km)	2. Renaissance Hotel (3.8 km)	2. IBS Business School (1.2 km)
3. Prima Bay (3.1 km)	3. Sevenhills Hospital (5.5 km)	3. Haiko (0.6 km)	3. Lighthall Annexe (3.9 km)	3. Lakeside Chalet (3.4 km)	3. Chandrabhan Sharma College (1.0 km)
4. The ORB (5.0 km)	4. Nahar International School (2.5 km)	4. R-City Mall (3.3 km)	4. 2nd Avenue (2.7 km)	4. Meluha- The Fern (0.7 km)	4. S.M. Shetty College (0.5 km)
			5. NDW Altima (4.0 km)		
			6. Nexus 10 (4.9 km)		

<span style="color: blue;">●</span> Key Commercial Developments	<span style="color: yellow;">●</span> Social Infrastructure	<span style="color: orange;">●</span> Lifestyle Infrastructure	<span style="color: grey;">●</span> Under Construction Commercial Developments	<span style="color: purple;">●</span> Hospitality Developments	<span style="color: teal;">●</span> Higher Education Institutions
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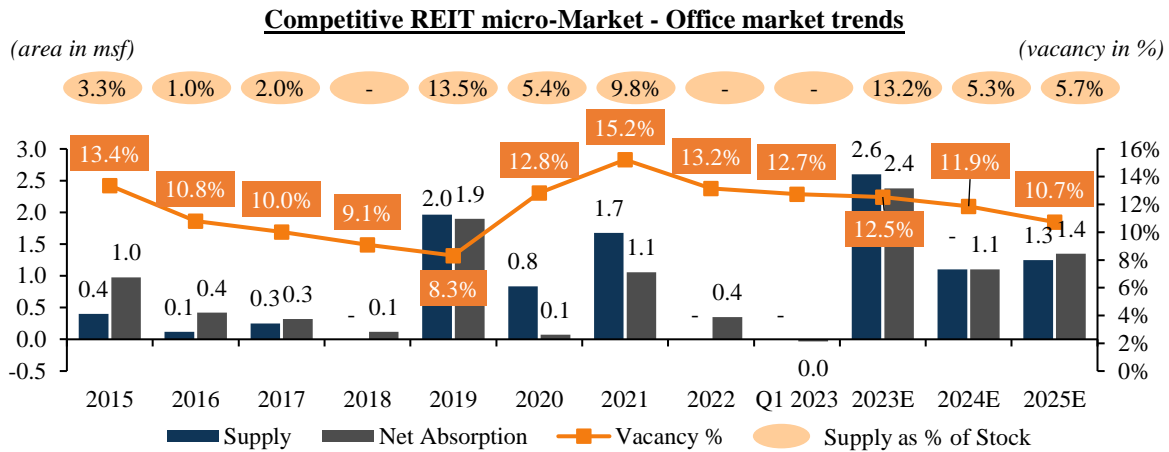
As of Q1 2023, approximately 17.03 msf of Grade-A stock is present in the competitive REIT micro market of which approximately 75.74% (12.90 msf) is IT/ITeS special economic zone stock. Absorption in competitive REIT micro market led by banking and financial services industry and technology tenants consistently outpaced the total supply leading to declining vacancy levels from 13.4% in 2015 to 8.3% in 2019. However, due to the outbreak of COVID-19 pandemic, net absorption in the competitive REIT micro-market (apart from the 1.1 msf of pre-commitment at Nirlon Knowledge Park being translated into absorption) remained broadly muted during 2020-2021, and the vacancy levels increased to approximately 15.2% by 2021. The competitive REIT micro-market witnessed strong traction during 2022 and Q1 2023 as the net absorption stood at approximately 0.32 msf, resulting in a drop in the vacancy levels to 12.7% by Q12023.

Demand for office space in this micro-market over the years has been driven by presence of larger properties, improving infrastructure, availability of quality residences and better connectivity to other parts of Mumbai. The

micro-market also attracts demand from large GCCs and professional services organizations, such as KPMG, JP Morgan, Deutsche bank, Morgan Stanley and Deloitte USI, among others, both in technology and financial services sector, for their expansion and consolidation.

It is expected that the ongoing recovery in the market may continue for the remaining portion of the year, followed by strong leasing traction over the upcoming years. Given the limited available supply in the competitive REIT micro-market, coupled with majority of the only new supply expected in 2023 being pre-committed, it is expected that the vacancy may gradually reduce to 11.9% by 2024.

The following graph represents historical supply, absorption and vacancy levels along with upcoming supply of the competitive REIT micro-market:

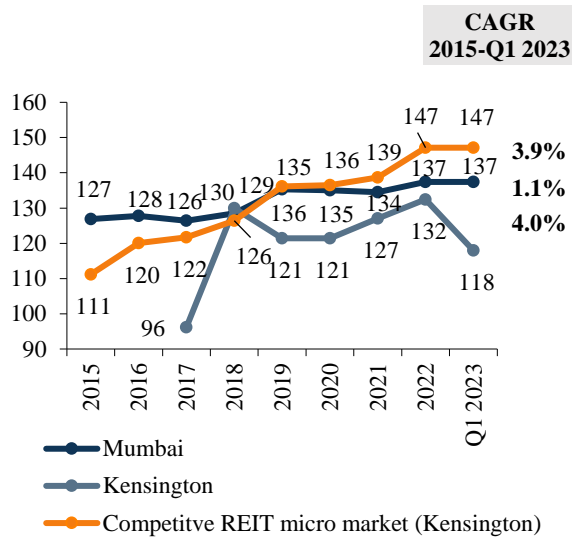


Note:

1. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.
2. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rental trend analysis**

(in ₹ psf/ month)

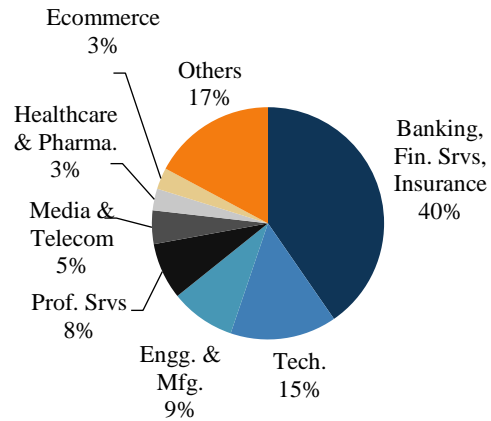


Note:

- The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters
- Rentals for Kensington and Kairos Properties have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include fresh leases and renewals from existing tenants, adjusted to asset level efficiency. The rental CAGR for Kensington depicted above, is from 2017 to Q1 2023.
- Rentals presented above are weighted average values on completed stock.

**Competitive REIT micro-market – Sectoral absorption analysis (2015-Q1 2023)**

Share of domestic occupiers: 23%  
Share of foreign occupiers: 77%



Note:

- Others include tenants involved in hospitality, logistics and shipping, fast moving consumer goods, retail and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the Competitive REIT micro-market including any relocations or consolidations.
- Transactions with more than 10,000 square feet area have been considered for domestic and foreign occupiers analysis.

## 2. Gurugram, National Capital Region

Gurugram, the millennium city of India, is the second largest urban catchment in Delhi, NCR. The key drivers of demand for office space in Gurugram are:

- **Connectivity and linkages:** Gurugram is well connected to other nodes of NCR through robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International Airport:** Gurugram is in close proximity to airport and hence attracts large occupier base to the city. Its closeness to airport helped the city to grow at a very fast pace.
- **Presence of social and lifestyle infrastructure:** Along with good physical infrastructure Gurugram offers a healthy mix of social and lifestyle infrastructure. Presence of premium infrastructure such as schools like Shriram, Shiv Nadar, Lotus Valley and Suncity, among others; hospitals like Artemis, Medanta, Fortis, etc.; retail malls like Ambience, MGF Metropolis etc.; food and beverage formats like Cyber Hub and 32nd Milestone, among others; , and crèches like Klay, IPSAA, Footprint etc.; has made Gurugram one of the preferred micro market for the working population. The city offers easy accessibility to the amenities required by the working population to lead life independently.
- **Access to educated talent pool:** As Gurugram is accessible through multiple modes of transportation and it offers residential spaces across various price categories, it attracts talent pool from all adjoining locations.
- **Healthy mix of commercial, IT/IT enabled services and special economic zone developments:** Gurugram offers a healthy mix of commercial, IT/ IT enabled services and special economic zone office space and hence attracts the occupier base across categories.

Gurugram is the largest office market in North India by total supply and absorption. The total office stock in Gurugram is approximately 61.01 msf. The overall market is characterized by double digit vacancies due to high vacancy levels in numerous properties having strata ownership. The non-strata owned office stock of 39.30 msf has significantly outperformed strata owned office stock of 21.71 msf. The vacancy of non-strata owned office stock at 15.92% is significantly lower than the vacancy of strata owned office stock at 30.74%. During the last 7.25 years, the rental CAGR of non-strata owned office stock at 2.80%, which was higher than rental CAGR at 0.55% of strata owned assets.

The table below highlights the key statistics of Gurugram's overall market:

Particulars	Non-Strata Owned	Strata Owned	Overall Assets
<b>Total completed stock (till Q1 2023) (msf)</b>	<b>39.30</b>	<b>21.71</b>	<b>61.01</b>
<b>Current occupied stock (till Q1 2023) (msf)</b>	<b>33.04</b>	<b>15.03</b>	<b>48.08</b>
<b>Current vacancy (till Q1 2023)</b>	<b>15.92%</b>	<b>30.74%</b>	<b>21.19%</b>
<b>Average annual absorption (2015 – Q1 2023) (msf)</b>	<b>1.55</b>	<b>0.86</b>	<b>2.41</b>
<b>Future supply (Q2 2023E – 2025E) (msf)</b>	<b>9.11</b>	<b>3.11</b>	<b>12.21</b>
<b>Rental CAGR (2015 – Q1 2023) (%)</b>	<b>2.80%</b>	<b>0.55%</b>	<b>2.03%</b>

Note:

1. Only the relevant stock has been considered for this analysis which means excluding the buildings having an area of less than 100,000 square feet, non-IT buildings and applying certain other criteria. The relevant stock does not consist of any strata owned building.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. The rentals for Candor Techspace G2 and G1 are sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency if applicable.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
5. Non-strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.



The table below highlights the key statistics of non-strata owned office stock in Gurugram’s micro-markets:

Particulars	Gurugram North (Non-Strata)*	Gurugram South (Non-Strata)**	Rest of Gurugram (Non-Strata)	Gurugram (Non-Strata)
<b>Total completed stock (Q1 2023) (msf)</b>	25.02	5.57	8.71	39.30
<b>Current occupied stock (Q1 2023) (msf)</b>	23.16	4.05	5.83	33.04
<b>Current vacancy (Q1 2023)</b>	7.42%	27.22%	33.10%	15.92%
<b>Average annual net absorption (2015 – Q1 2023) (msf)</b>	0.74	0.27	0.54	1.55
<b>Future supply (Q2 2023E – 2025E) (msf)</b>	3.13	1.53	4.45	9.11

\* Candor Techspace G2 is located in this micro-market.

\*\* Candor Techspace G1 is located in this micro-market.

Note:

1. Only Grade-A office spaces have been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet , excluding strata owned office stock and applying certain other criteria.
3. Vacancy and net absorption numbers are computed on the relevant stock.
4. The future supply estimates are based on analysis of proposed and under construction buildings.

Gurugram micro-markets are defined as:

- Gurugram North: NH-48 starting from Ambience Mall till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH-48 and MG Road;
- Gurugram South: NH-48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH-48, Golf Course Road and Sohna Road.
- Rest of Gurugram: Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurugram, Northern Periphery Road and the geographical stretch of NH-48 beyond Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH-48.

The following map depicts the overall Gurugram market and location of Candor Techspace G2:



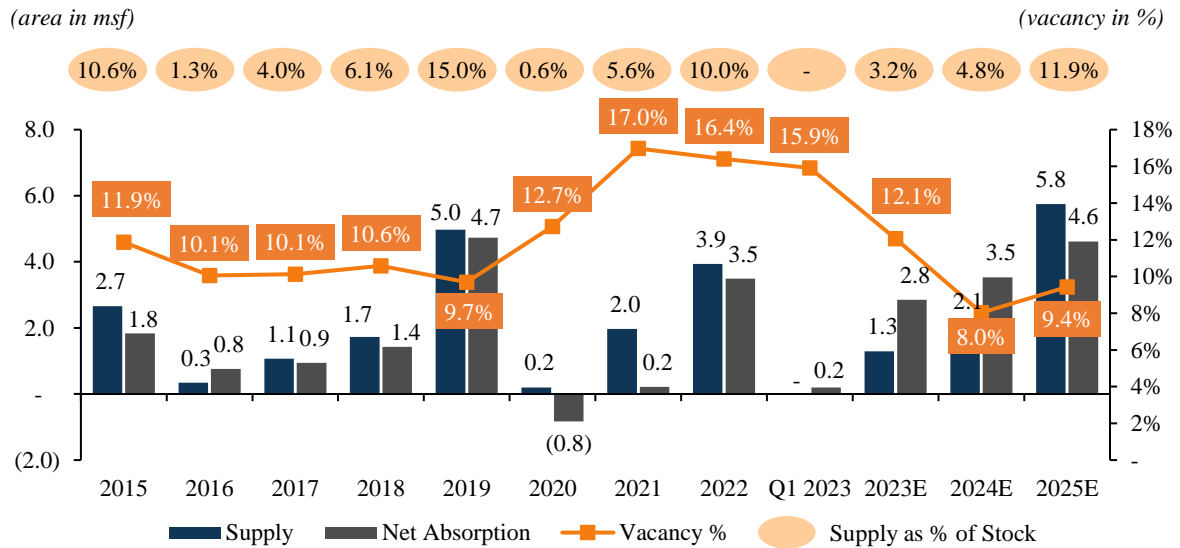
Note:

1. Map not to scale.
2. SPR stands for Southern Peripheral Road
3. The DMRC Yellow Line metro is Approved to be extended from HUDA City Centre to Udyog Vihar, via Old Gurugram and finally terminating at DLF Mousari Avenue rapid metro station. Also, a station for Delhi – Alwar Regional Rapid Transit System is proposed at Rajiv Chowk on NH – 48. This is based on the information available in the public domain and may differ subject to final approvals.

**Gurugram: Non-strata owned office market supply, absorption, vacancy and rental trends**

The largest office market of North India is primarily dominated by non-strata owned office stock. As of Q1 2023, non-strata office stock for Gurugram stands at 39.30 msf (approximately 64% of overall stock) of which 33.04 msf is occupied. The non-strata owned office stock of 39.30 msf has significantly outperformed strata owned office stock of 21.71 msf. The vacancy of non-strata owned office stock at 15.92% is significantly lower than the vacancy of strata owned office stock at 30.74%. The difference in vacancy levels indicates occupier’s willingness to set up the office spaces in non-strata owned buildings.

**Gurugram – Non-strata owned office market trends**

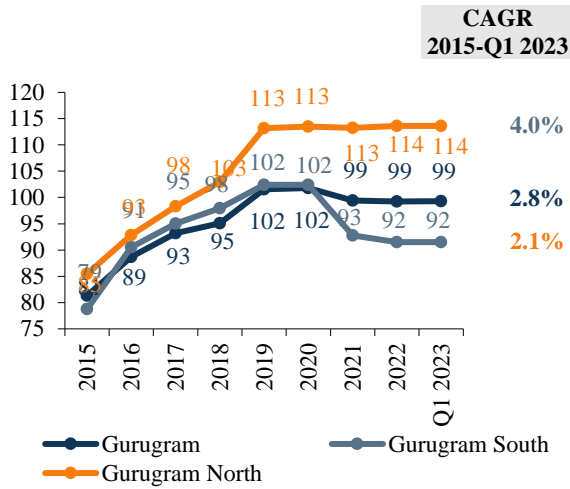


Note:

1. Only the relevant stock has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet, strata owned and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rental trend analysis of non-strata owned office stock**

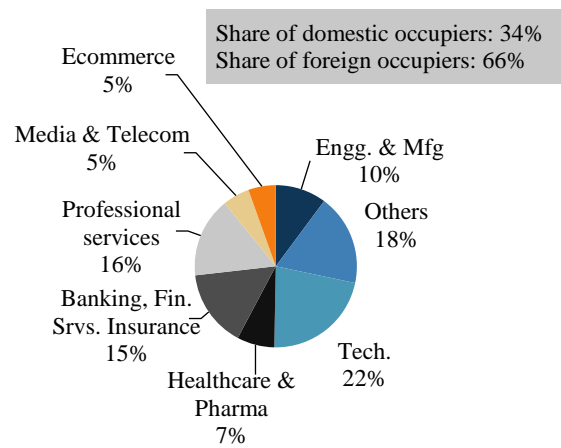
(in ₹ psf/ month)



Note:

- The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
- The rentals for Candor Techspace G2 and G1 are sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency if applicable.
- Rentals presented above are weighted average values on completed stock.
- Only the relevant stock has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet, strata owned and applying certain other criteria.
- Only Grade-A office spaces have been considered for the analysis presented in the above table.

**Gurugram – Non-strata owned sectoral absorption analysis (2015-Q1 2023 ~ 30.86)**



Note:

- Only the relevant stock has been considered for this analysis which means excluding the buildings having an area of less than 100,000 square feet, strata owned and applying certain other criteria.
- Others include tenants involved in automobile, education, fast moving consumer goods, logistics and shipping, aviation, real estate & related services. The sectoral absorption analysis is based on gross absorption activity of Gurugram's non-strata owned relevant stock i.e. including any relocations or consolidations.
- Transactions with more than 10,000 square feet area have been considered for domestic and foreign occupiers analysis.

**2A. Gurugram North CBD**

Located at the Delhi-Gurugram border, Gurugram North is the largest office micro-market of Delhi NCR and the central business district of Gurugram. Due to its close proximity to Delhi, easy access to the international airport, and availability of large institutionally owned developments, the micro-market has established itself as a location of choice for high value operations of large multinational corporates. Apart from Candor Techspace G2, the micro-market houses some of the renowned office complexes in India such as the DLF Cybercity. The micro-market also has limited availability of large land parcels which has restricted new development. Candor Techspace G2 is uniquely positioned in this micro-market due to its campus-style development and being one of the largest office special economic zone of Gurugram in terms of leasable area.

The following map sets forth the social infrastructure of the Gurugram North micro-market:



Note: The map is not to scale.

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF Cyber City (3.2 km)	1. Rotary Public School (1.5 km)	1. Ansal Plaza (4.2 km)	1. DLF Hines JV (2.5 km)	1. Hotel Hyatt Place (1.8 km)	1. Northcap University (3 km)
2. DLF Cyber Park (2.1 km)	2. Swiss Cottage School (4 km)	2. DLF Cyber Hub (3.2 km)	2. Tag Avenue (650m)	2. Oberoi/ Trident Hotel (2 km)	2. ICFAI Business School (0 km)
3. Ambience Corporate Towers (6.6 km)	3. Columbia Asia Hospital (4.2 km)	3. Ambience Mall (6.6 km)	3. The Headquarters 27 (10 km)	3. Hotel Leela (6.6 km)	3. Fairfield Institute of Management & Technology (2.5 km)
	4. KLAY Preschool & Day Care Center (500 m)	4. MGF Metropolitan Mall (7.2 km)		4. Westin Hotel (6.5 km)	
		5. City Centre Mall (7.1 km)		5. Radisson Hotel (3.2 km)	

● Key Office Developments    
 ● Social Infrastructure    
 ● Lifestyle Infrastructure    
 ● Proposed/ Under Construction Office Developments    
 ● Hospitality Developments    
 ● Higher Education Institutions

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF Cyber City (3.2 km)	1. Rotary Public School (1.5 km)	1. Ansal Plaza (4.2 km)	1. DLF Hines JV (2.5 km)	1. Hotel Hyatt Place (1.8 km)	1. Northcap University (3 km)
2. DLF Cyber Park (2.1 km)	2. Swiss Cottage School (4 km)	2. DLF Cyber Hub (3.2 km)	2. Tag Avenue (650m)	2. Oberoi/ Trident Hotel (2 km)	2. ICFAI Business School (0 km)
3. Ambience Corporate Towers (6.6 km)	3. Columbia Asia Hospital (4.2 km)	3. Ambience Mall (6.6 km)	3. The Headquarter 27 (10 km)	3. Hotel Leela (6.6 km)	3. Fairfield Institute of Management & Technology (2.5 km)
	4. KLAY Preschool & Day Care Center (500 m)	4. MGF Metropolitan Mall (7.2 km)		4. Westin Hotel (6.5 km)	

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
		5. City Centre Mall (7.1 km)		5. Radisson Hotel (3.2 km)	

*Gurugram North: Non-strata owned office market trends*

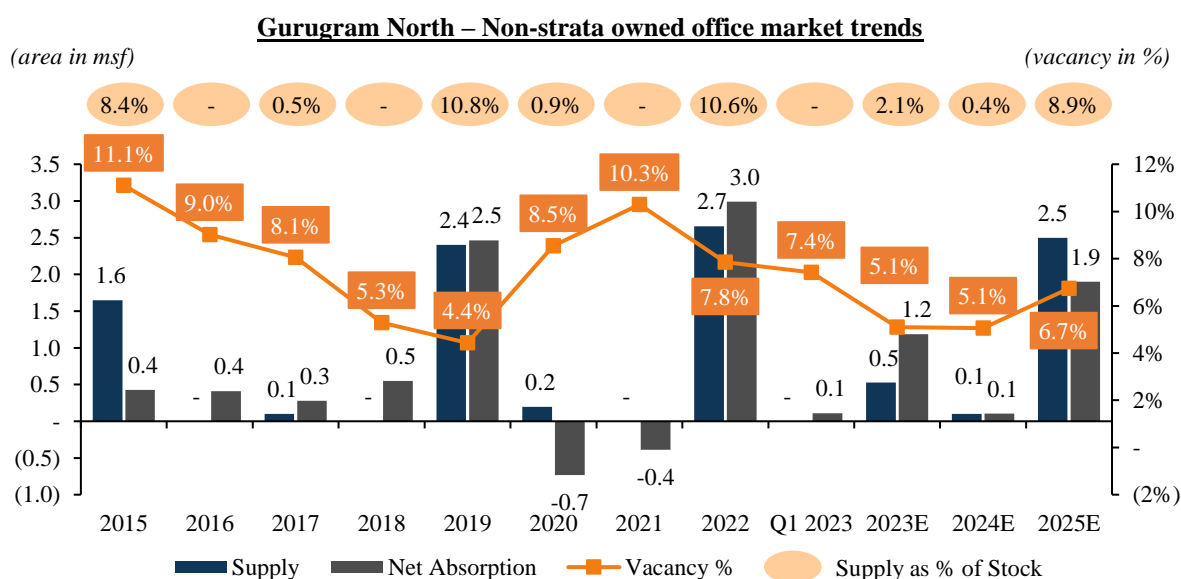
Particulars	Details
Total completed stock till Q1 2023 (msf)	Approximately 25.02 msf
Current occupied stock till Q1 2023 (msf)	Approximately 23.16 msf
Current vacancy Q1 2023 (%)	Approximately 7.42%
Average annual net absorption – (2015 – Q1 2023) (msf)	Approximately 0.74 msf
Future supply – Q2 2023 E – 2025 E (msf)	Q2 2023E – Q4 2023 E: Approximately 0.53 msf 2024E: Approximately 0.10 msf 2025E: Approximately 2.50 msf
Rental CAGR (2015 – Q1 2023) (%)	4.01%

Note:

1. Only Grade-A office spaces have been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. The rentals for Candor Techspace G2 are sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Vacancy and net absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction buildings.
6. Strata owned office stock has been excluded.

**Gurugram North: Non-strata owned office market supply, absorption, vacancy and rental trends**

Demand has outpaced supply in Gurugram North since 2015 resulting in a steep vacancy decline to approximately 7.42% as of Q1 2023. The micro-market benefits the occupiers and their employees due to its unparalleled location, established lifestyle infrastructure and high-end residential catchment. Further, consolidation of stock among large established complexes such as DLF Cybercity and Candor Techspace G2 have maintained the profile of the micro-market translating into quick leasing and consistent rent growth for Candor Techspace G2 at a CAGR of 7.29% since 2015. Candor Techspace G2, due to its unique campus positioning, has outperformed the micro-market in terms of rental growth over the last 7.25 years while maintaining high occupancies.

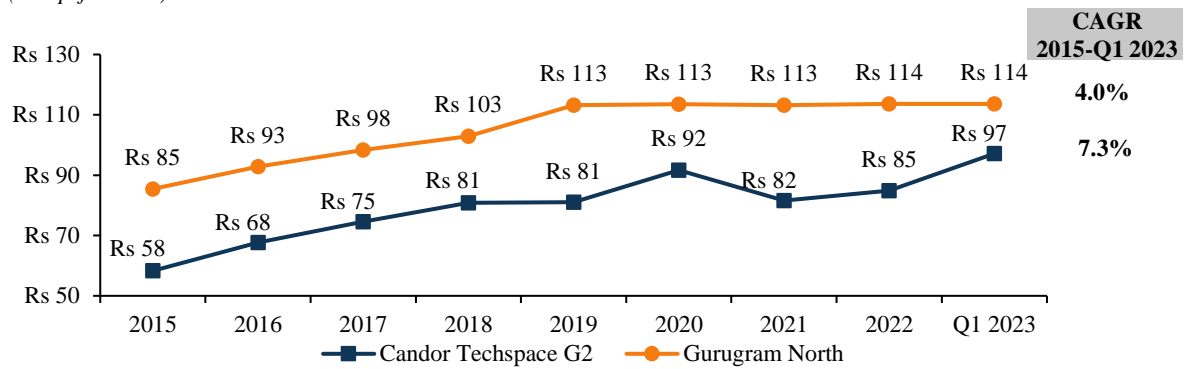


Note:

1. Only the relevant stock has been considered for this analysis which means excluding the buildings having an area of less than 100,000 square feet, strata owned and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rental trend analysis – Candor Techspace G2 and non-strata owned stock in Gurugram North**

(in ₹ psf/ month)



Note:

1. Gurugram North rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. The rentals for Candor Techspace G2 are sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
3. Rentals presented above are weighted average values on completed stock.
4. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned and applying certain other criteria.
5. Only Grade-A office spaces have been considered for the analysis presented in the above table.



**2B. Gurugram South CBD**

Gurugram South is one of the prime office micro markets of Gurugram interspersed between investment grade and sub investment grade developments. The office supply constitutes a healthy mix of IT and Non-IT developments. Gurugram South has also evolved as one of the established locations for residential and retail segments. Residential supply constitutes primarily of high-rise group housing developments catering to Upper Middle-Income Group and High-Income Group.

The following map sets forth the social infrastructure of the Gurugram South micro-market:



*Note: The map is not to scale.*

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
1. 1. Bharti Sigma Centre (1.9km)	1. Park Hospital (3.4 km)	1. Star Mall (6.2 km)	1. Vatika One on One (5.6 km)	1. The Room (1 km)	1. DPG ITM (1.5 km)
2. 2. Capital business Park (2 km)	2. Medanta Medicity (4.1 km)	2. Sector 29 (6.8 km)		2. Radisson (2.2 km)	2. National Law College (4.2 km)
3. 3. Express Trade Towers (2.5km)	3. Samvit Hospital (1.4 km)	3. Galleria Market (8 km)		3. Hilton Garden Inn (3.3 km)	3. Gurugram University (4.5 km)
4. 4. Brahma Bestech Athena (7.3 km)	4. S D Adarsh Vidyalaya (2 km)	4. Good Earth City Centre (4 km)		4. Taj City Centre (5 km)	4. Management Development Institute (7.3 km)
5. 5. DLF world Tech Park (7.9km)	5. G D Goenka Public School (1.2 km)	5. 32nd Avenue (5.4 km)		5. Sector 29 (7.5 km)	
6. 6. BPTP Park Centra (8.8km)	6. Day Cares (0.5 km)	6. Ardee Mall (7 km)		6. Courtyard by Marriott (7.3 km)	

<span style="color: blue;">●</span> Key Office Developments	<span style="color: yellow;">●</span> Social Infrastructure	<span style="color: orange;">●</span> Lifestyle Infrastructure	<span style="color: grey;">●</span> Under Construction & Proposed Office Developments	<span style="color: purple;">●</span> Hospitality Developments	<span style="color: teal;">●</span> Higher Education Institutions
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*Gurugram South: Non-strata owned office market trends*

Particulars	Details
Total completed stock till Q1 2023 (msf)	Approximately 5.57 msf
Current occupied stock till Q1 2023 (msf)	Approximately 4.05 msf
Current vacancy Q1 2023 (%)	Approximately 27.22%
Average annual net absorption – (2015 – Q1 2023) (msf)	Approximately 0.27 msf
Future supply – Q2 2023 E – 2025 E (msf)	Q2 2023E – Q4 2023 E: Approximately 0.52 msf 2024E: Approximately 0.21 msf 2025E: Approximately 0.80 msf
<b>Rental CAGR (2015 – Q1 2023) (%)</b>	<b>2.10%</b>

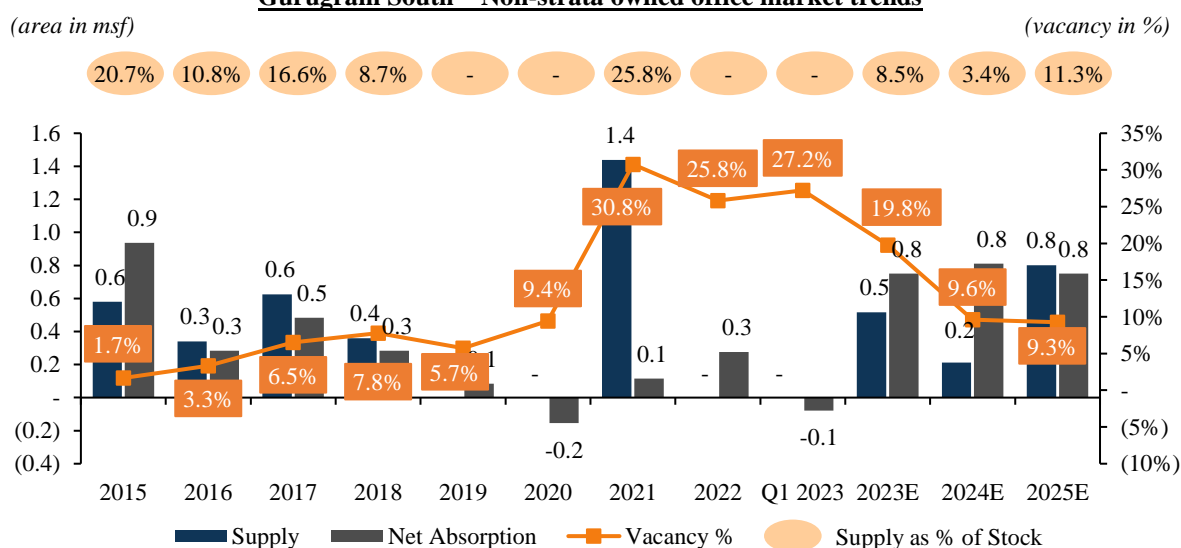
Note:

1. Only Grade-A office spaces have been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. The rentals for Candor Techspace G1 are sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
4. Vacancy and net absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction buildings.
6. Strata owned office stock has been excluded.

**Gurugram South: Non-strata owned office market supply, absorption, vacancy and rental trends**

Gurugram South is dominated by Technology and Engineering & Manufacturing Services sector which together contributed 25% of the leasing activity in the years 2015 – Q1 2023. Quality supply has remained highly limited and available vacant stock has largely been strata owned, both of which have resulted in limited absorption by prospective occupiers. However, this has favorably positioned Candor Techspace G1, which is well positioned to continue outperforming the market while capturing demand from new as well as existing occupiers in its upcoming towers driven by its prime and preferred location for occupiers due to its improved transport links (including a flyover which has eased the traffic movement towards the national highway), proximity to the Gurugram North CBD and an established residential catchment for the workforce.

**Gurugram South – Non-strata owned office market trends**

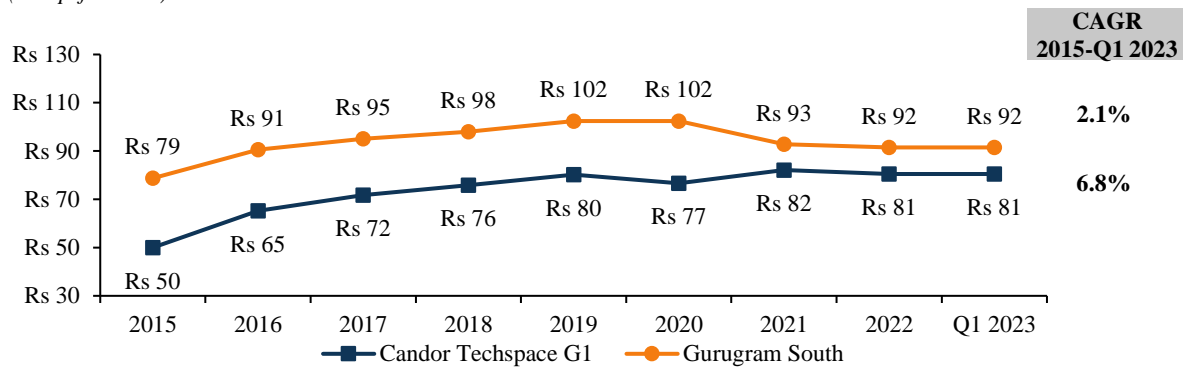


Note:

1. Only the relevant stock has been considered for this analysis which means excluding the buildings having an area of less than 100,000 square feet, strata owned and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rental trend analysis – Candor Techspace G1 and non-strata owned stock in Gurugram South**

(in ₹ psf/ month)



Note:

1. Gurugram South rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. The rentals for Candor Techspace G1 are sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.
4. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned and applying certain other criteria.
5. Only Grade-A office spaces have been considered for the analysis presented in the above table.

### 3. *Noida, National Capital Region*

Noida is a key urban cluster in Delhi NCR. The key drivers of demand for office space in Noida are:

- *Connectivity and linkages:* Noida is well connected to other nodes of NCR through a robust road and metro network, which makes it a conducive location for workforce commuting by public and private modes of transportation. Noida is the only city in NCR where the physical infrastructure was planned ahead of real estate development. Hence, the city enjoys superior physical infrastructure and planned architectural layout.
- *Lower occupation cost:* Noida has availability of residential and office spaces with rentals and capital values significantly lower than Gurugram and Delhi. Hence, the city stands out as it offers quality living at much lower occupation cost.
- *Access to educated talent pool:* Noida is accessible through multiple modes of transportation and offers residential spaces across various price categories and therefore attracts talent pool from all adjoining locations

While there is 22.43 msf of Grade-A stock in the market, very few properties are of comparable quality to Candor Techspace N1. Majority of competing office properties are either sub-institutional grade or strata-owned, which creates favorable dynamics for high quality real estate. The non-strata owned office stock of 17.05 msf has significantly outperformed strata owned office stock of 5.38 msf. In Q1 2023, the vacancy levels of non-strata owned office stock was 21.52% which was significantly lower than the vacancy of strata owned office stock at 48.60%. During the last 7.25 years, the rental CAGR of non-strata owned office stock at 4.72% was higher than the rental CAGR at 1.17% of strata owned assets.

The table below highlights the key statistics of Noida's overall market:

Particulars	Non-Strata Owned	Strata Owned	Overall Assets
<b>Total completed stock (till Q1 2023) (msf)</b>	<b>17.05</b>	<b>5.38</b>	<b>22.43</b>
<b>Current occupied stock (till Q1 2023) (msf)</b>	<b>13.38</b>	<b>2.76</b>	<b>16.15</b>
<b>Current vacancy (till Q1 2023)</b>	<b>21.52%</b>	<b>48.60%</b>	<b>28.01%</b>
<b>Average annual absorption (2015 – Q1 2023) (msf)</b>	<b>0.69</b>	<b>0.21</b>	<b>0.90</b>
<b>Future supply (Q2 2023E – 2025E) (msf)</b>	<b>1.77</b>	<b>0.00</b>	<b>1.77</b>
<b>Rental CAGR (2015 – Q1 2023) (%)</b>	<b>4.72%</b>	<b>1.17%</b>	<b>3.93%</b>

Note:

1. Only Grade-A office spaces have been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. The rentals for Candor Techspace N1 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. The rentals for Candor Techspace N2 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
5. Additionally non-IT buildings has been excluded from supply.
6. Vacancy and net absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction building.

The table below highlights the key statistics of non-strata owned stock in Noida's micro-markets:

Particulars	*Sector 62, Noida	**NGN Expressway	Rest of Noida	Noida-Non-Strata
<b>Total completed stock (Q1 2023) (msf)</b>	<b>6.91</b>	<b>9.17</b>	<b>0.96</b>	<b>17.05</b>
<b>Current occupied stock (Q1 2023) (msf)</b>	<b>6.29</b>	<b>6.48</b>	<b>0.61</b>	<b>13.38</b>
<b>Current vacancy (Q1 2023)</b>	<b>8.99%</b>	<b>29.31%</b>	<b>37.23%</b>	<b>21.52%</b>
<b>Average annual net absorption (2015 – Q1 2023) (msf)</b>	<b>0.23</b>	<b>0.42</b>	<b>0.04</b>	<b>0.69</b>
<b>Future supply (Q2 2023E – 2025E) (msf)</b>	<b>0</b>	<b>1.77</b>	<b>0</b>	<b>1.77</b>

\* Candor Techspace N1 is located in this micro-market.

\*\* Candor Techspace N2 is located in this micro-market.

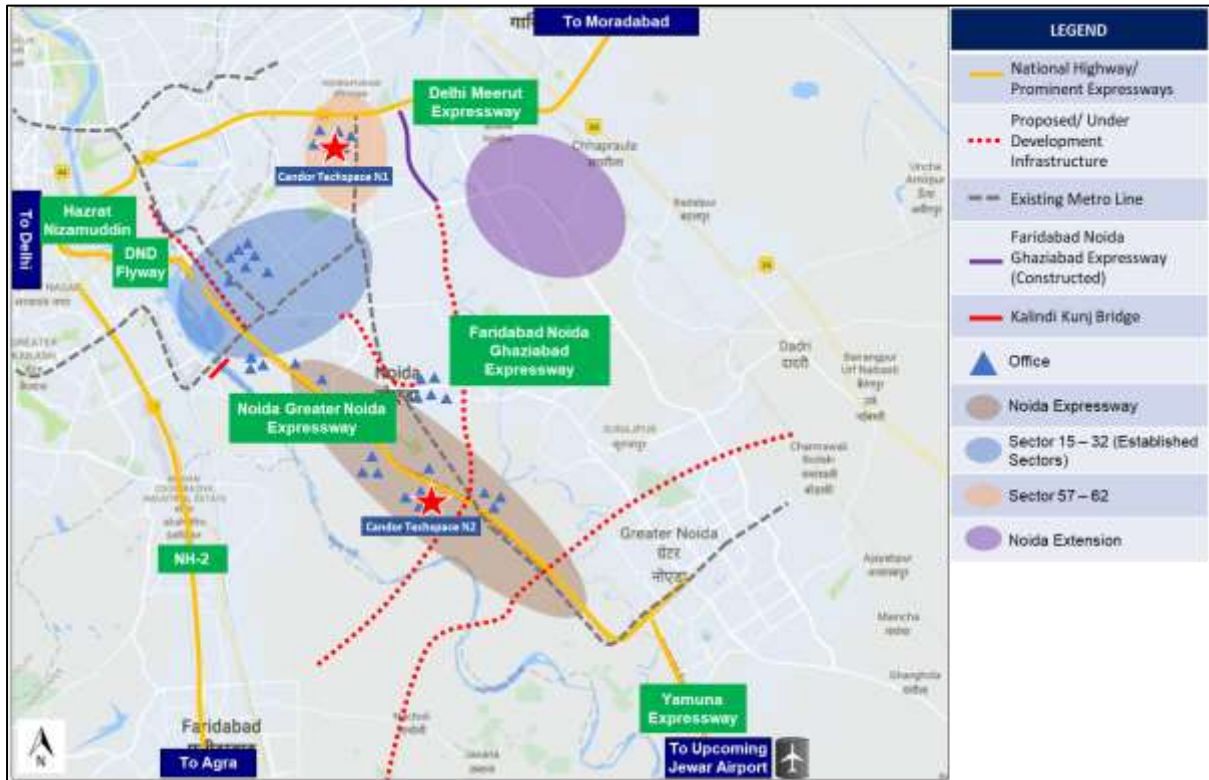
Note:

1. Only Grade-A non-strata owned office spaces has been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. Additionally non-IT buildings and strata owned office stock has been excluded from supply.
4. Vacancy and net absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction building.

Noida micro-markets are defined as:

- Sector 62, Noida: refers to the northern part of Noida, abutting NH – 24 and covering the surrounding sectors of 57, 58, 59 and 60 towards the south and sectors 63 and 64 towards the east;
- Noida–Greater Noida Expressway: refers to the geographical expanse of Noida-Greater Noida expressway;
- Rest of Noida refers to office clusters in sectors 16 to 18, sectors 32 to 34 and Greater Noida West.

The following map depicts the overall Noida market and location of Candor Techspace N1 and Candor Techspace N2:

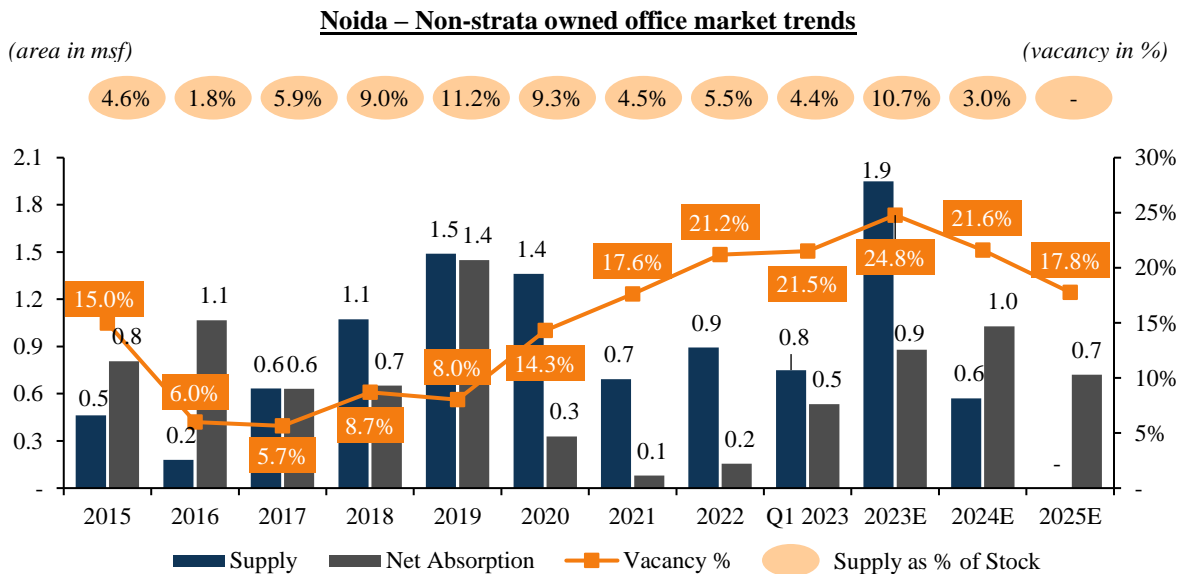


Note: The map is not to scale.

**Noida: Non-strata owned office market supply, absorption, vacancy and rental trends**

Noida is a prominent office market in North India, characterized by cost effective rental levels with close proximity to Delhi.

The trend of growth in rentals in Noida is expected to continue as demand from new and existing occupiers continues to exceed new supply. Further, health and safety being of high importance, it is likely that with availability of quality office space, occupiers shift from sub-institutional grade properties (for materializing their expansion and consolidation plans) into high quality institutionally owned developments. These trends are expected to further reduce the vacancy levels and create favorable dynamics for rent growth.

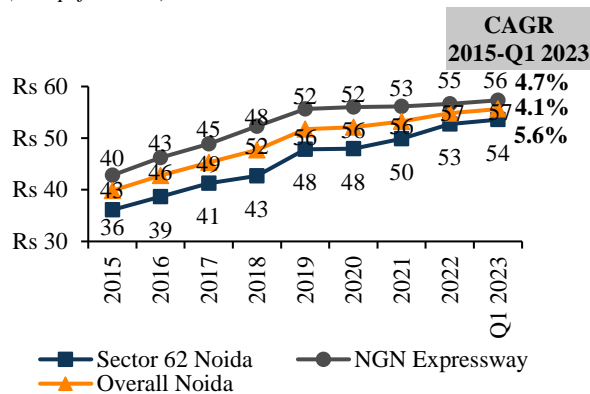


Note:

1. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rental trend analysis of non-strata owned office stock**

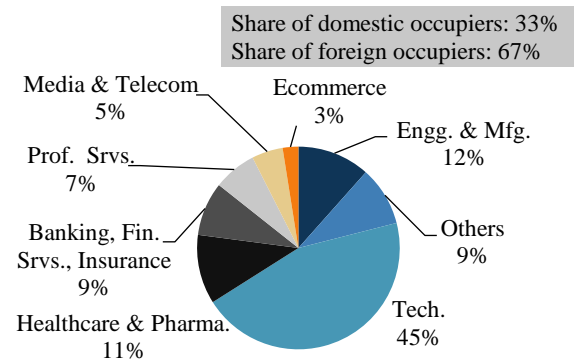
(in ₹ psf/ month)



Note:

1. The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. The rentals for Candor Techspace N1 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
3. Rentals presented above are weighted average values on completed stock.
4. The rentals for Candor Techspace N2 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
5. Only the relevant stock has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
6. Only Grade-A office spaces have been considered for the analysis presented in the above table.

**Noida – Non-strata owned sectoral absorption analysis (2015-Q1 2023 ~12.60 msf)**



Note:

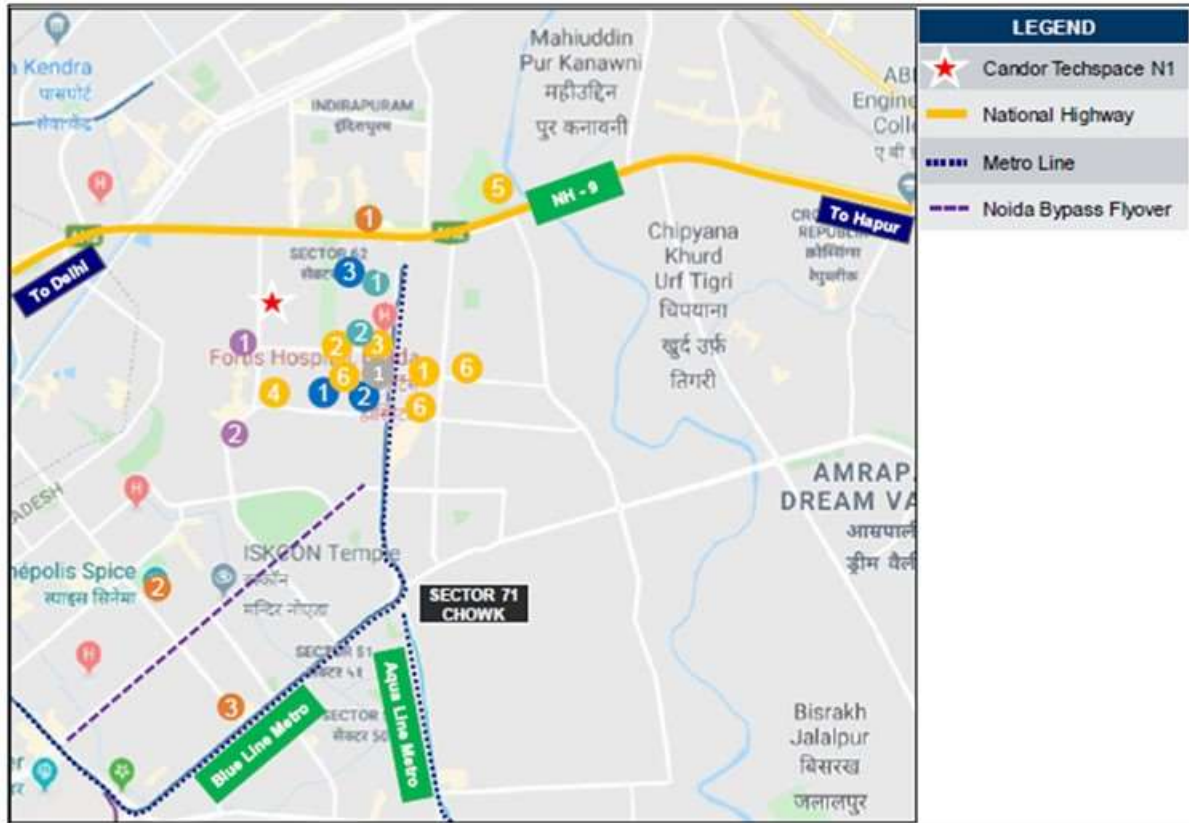
1. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
2. Others include tenants involved in automobile, education, fast moving consumer goods, logistics and shipping, aviation, real estate and related services. The sectoral absorption analysis is based on gross absorption activity of Noida's relevant non-strata owned stock i.e. including any relocations or consolidations.
3. Transactions with more than 10,000 square feet area have been considered for domestic and foreign occupiers analysis.



**3A. Sector 62, Noida**

Sector 62, Noida is an established technology and outsourcing hub within Noida with multiple office parks and competitive rental levels. In addition to its close connectivity to Delhi, the micro-market also offers close proximity to Ghaziabad, another urban cluster of Delhi NCR. Candor Techspace N1 is one of the largest office parks in the micro-market in terms of leasable area and is well placed for providing expansion space to its occupiers through its in-site development potential.

The following map sets forth the social infrastructure of the Sector 62, Noida micro-market:



Note: The map is not to scale.

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Stellar IT Park (1.6 km)	1. Global Business School (3.2 km)	1. Shipra Mall (3.5 km)	1. Trapezoidal Tower B (2.3 km)	1. Park Ascent Hotel (1 km)	1. Jaypee Institute of Information & Technology (2.3 km)
2. Logix Cyber Park (1.2 km)	2. KLAY Prep School and Day-care (1.6 km)	2. Spice Mall (5.2 km)		2. Radisson Noida (2.6 km)	2. JSS Academy of Technical Education (1 km)
3. Galaxy Business Park (1.6 km)	3. Fortis Hospital (2.0 km)	3. Logix City Center (7.7 km)			
	4. Ashirwad Hospital (1.7 km)				
	5. SJM Hospital & IVF Centre (5.4 km)				
	6. Day Cares (1.5 km)				

<span style="color: blue;">●</span> Key Office Developments	<span style="color: yellow;">●</span> Social Infrastructure	<span style="color: orange;">●</span> Lifestyle Infrastructure	<span style="color: grey;">●</span> Proposed/ Under Construction Office Developments	<span style="color: purple;">●</span> Hospitality Developments	<span style="color: teal;">●</span> Higher Education Institutions
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**Sector 62, Noida: Non-strata owned office market supply, absorption, vacancy and rental trends**

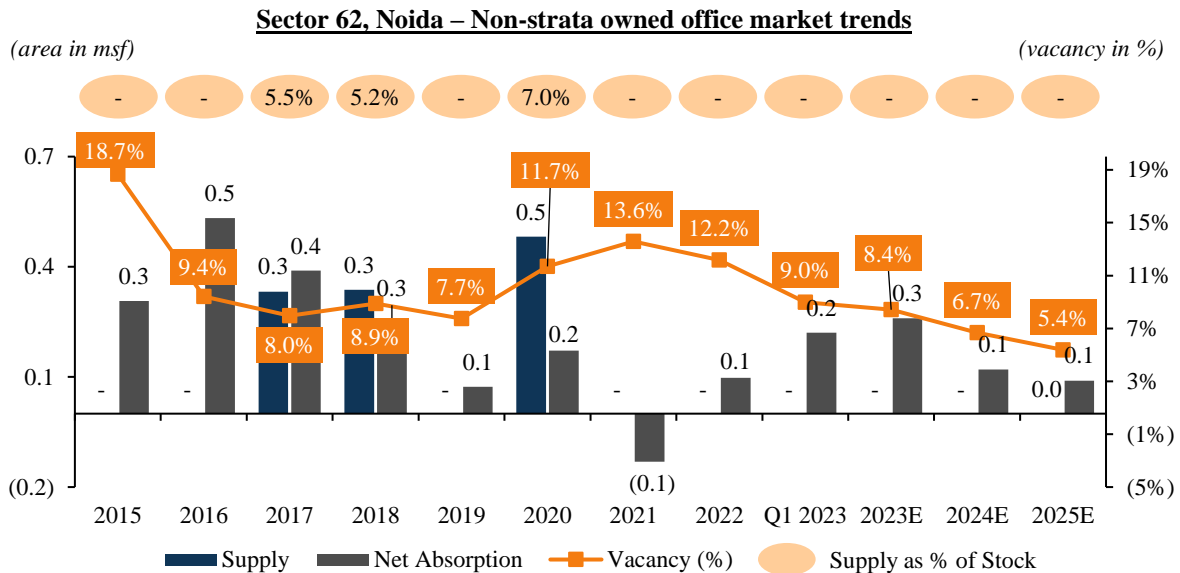
Particulars	Details
<b>Total completed stock till Q1 2023 (msf)</b>	<b>Approximately 6.91 msf</b>
<b>Current occupied stock till Q1 2023 (msf)</b>	<b>Approximately 6.29 msf</b>
<b>Current vacancy Q1 2023 (%)</b>	<b>Approximately 9.0%</b>
<b>Average annual net absorption – (2015 – Q1 2023) (msf)</b>	<b>Approximately 0.23 msf</b>
<b>Future supply – Q2 2023 E – 2025 E (msf)</b>	<b>Q2 2023 E – Q4 2023 E: Approximately 0.0 msf</b> <b>2024 E: Approximately 0.0 msf</b> <b>2025 E: Approximately 0.0 msf</b>
<b>Rental CAGR (2015 – Q1 2023) (%)</b>	<b>5.60%</b>

Note:

1. Only Grade-A non-strata owned office spaces has been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. Additionally non-IT buildings and strata owned office stock has been excluded from supply.
4. Vacancy and net absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction building.
6. The rentals for Candor Techspace N1 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.

**Noida Sector-62: Non-strata owned office market supply, absorption, vacancy and rental trends**

Sector 62, Noida has witnessed limited new supply since 2015 while the occupier demand has grown more robust. Since 2015, only 1.15 msf of new supply while 1.91 msf was net absorbed in Sector 62, Noida. As an outcome of the recent dynamics, vacancy levels have steeply declined to 8.99% in Q1 2023 from about 18.66% in 2015. Candor Techspace N1, due to its superior positioning, has significantly outperformed the micro-market in terms of rental growth over the last 7.25 years.

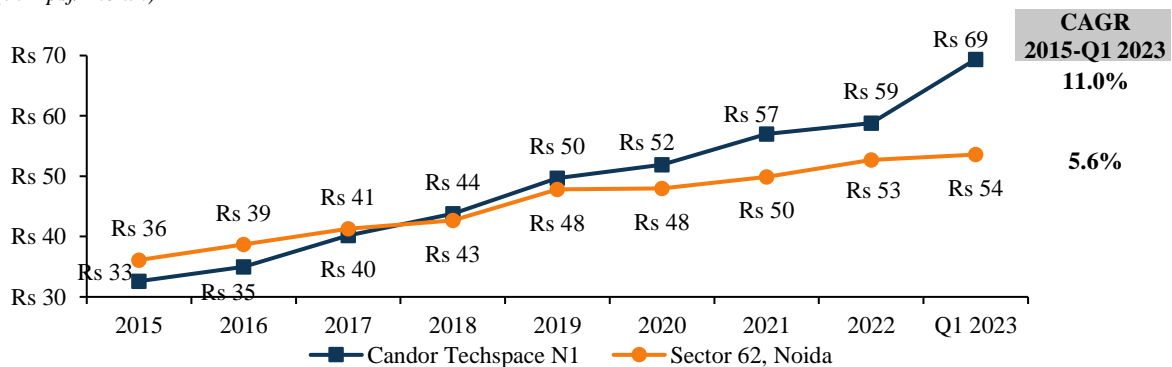


Note:

1. Only the relevant stock has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rental trend analysis – Candor Techspace N1 and non-strata owned buildings in Sector 62, Noida**

(in ₹ psf/ month)



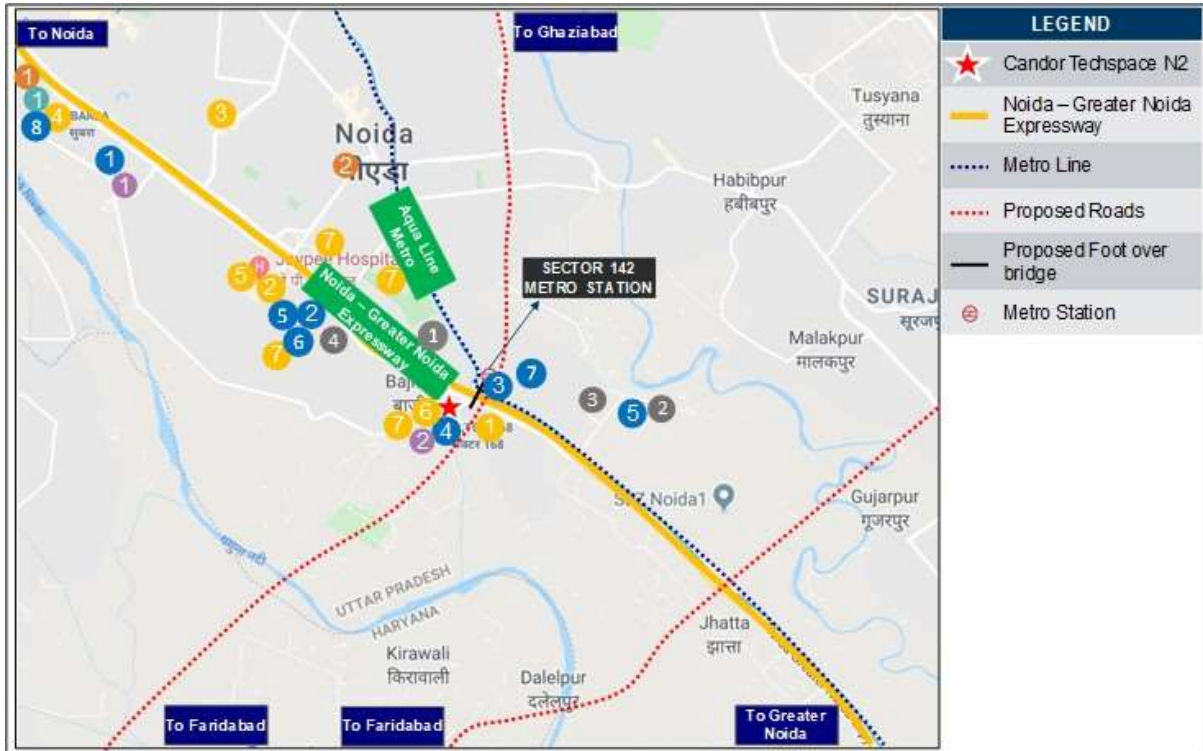
Note:

1. Sector 62, Noida rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. The rentals for Candor Techspace N1 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency..
3. Rentals presented above are weighted average values on completed stock.
4. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
5. Only Grade-A office spaces have been considered for the analysis presented in the above table.

**3B. Noida-Greater Noida Expressway, Noida**

Noida-Greater Noida Expressway (“**NGN Expressway**”) is the fastest growing office cluster of Noida and has emerged as a preferred location for occupiers looking to enter as well as expand in the city. The strategic expressway location and a large residential catchment drive strong occupier preference towards this micro-market. Candor Techspace N2 is the micro-market’s largest integrated office development.

The following map sets forth the social infrastructure of the NGN Expressway, Noida micro-market:



*Note: The map is not to scale.*

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Logix Techno Park (2.6 km)	1. Shiv Nadar School (1.2 km)	1. Hypernova Mall (12.6 km)	1. Stellar 1423/1425 (4.6 km)	1. Hide Away Suites (5.3 km)	1. Amity University (11.3 km)
2. Express Trade Tower 2 (4.7 km)	2. DPS, Sector 132 (7.1 km)	2. Market, Sector 110 (6.6 km)	2. Embassy Oxygen Phase 2 Tower 1 (6 km)	2. Sandal Suites by Lemon Tree (1.6 km)	
3. Advant Navis Business Park (3.5 km)	3. Pathways School Noida (8.6 km)		3. DLF Tech Park - Phase 1 (5 km)		
4. Assotech Business Cresterra (1.5 km)	4. Genesis Global School (4.2 km)		4. ORD Towers Sector 132 (5 km)		
5. Oxygen Business Park (6.9 km)	5. Jaypee Hospital (7.1 km)				
	6. Police Station, Sector 135 (1.5 km)				
	7. Day Cares (2 km)				

<span style="color: blue;">●</span> Key Office Developments	<span style="color: yellow;">●</span> Social Infrastructure	<span style="color: orange;">●</span> Lifestyle Infrastructure	<span style="color: grey;">●</span> Proposed/ Under Construction Office Developments	<span style="color: purple;">●</span> Hospitality Developments	<span style="color: teal;">●</span> Higher Education Institutions
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**NGN Expressway, Noida: Non-strata owned office market supply, absorption, vacancy and rental trends**

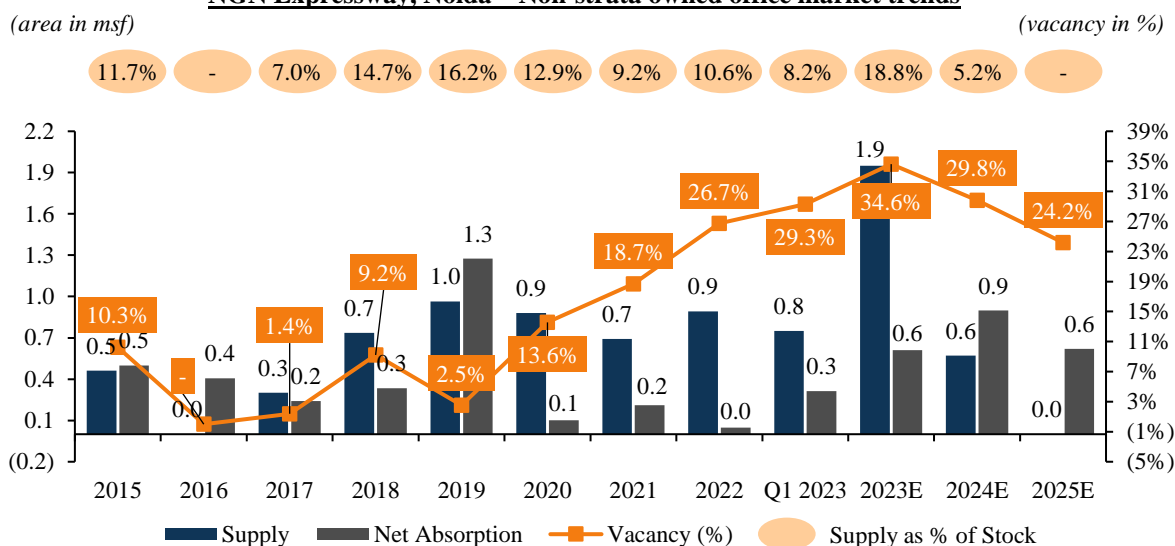
Particulars	Details
Total completed stock till Q1 2023 (msf)	Approximately 9.17 msf
Current occupied stock till Q1 2023 (msf)	Approximately 6.48 msf
Current vacancy Q1 2023 (%)	Approximately 29.31%
Average annual net absorption – (2015 – Q1 2023) (msf)	Approximately 0.42 msf
Future supply – Q2 2023 E – 2025 E (msf)	Q2 2023E – Q4 2023 E: Approximately 1.20 msf 2024 E: Approximately 0.57 msf 2025 E: Approximately 0.00 msf
<b>Rental CAGR (2015 – Q1 2023) (%)</b>	<b>4.11%</b>

Note:

1. Only Grade-A non-strata owned office spaces has been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. The rentals for Candor Techspace N2 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
4. Additionally non-IT buildings and strata owned office stock has been excluded from supply.
5. Vacancy and net absorption numbers are computed on the relevant stock.
6. The future supply estimates are based on analysis of proposed and under construction building.

Since 2015, NGN Expressway has attracted significant interest from high quality tenants pursuing entry or expansion into Noida.

**NGN Expressway, Noida – Non-strata owned office market trends**

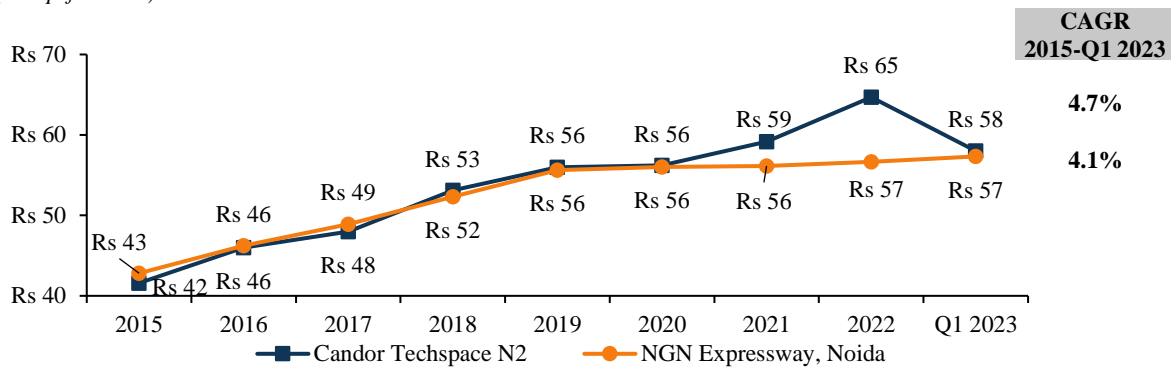


Note:

1. Only the relevant stock has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rental trend analysis – Candor Techspace N2 and non-strata owned buildings in Sector 62, Noida**

(in ₹ psf/ month)



Note:

1. Sector 62, Noida rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. The rentals for Candor Techspace N2 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.
4. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
5. Only Grade-A office spaces have been considered for the analysis presented in the above table.

#### 4. *Kolkata*

Kolkata is the one of the largest cities in Eastern Indian and its principal commercial, cultural and educational center. It is the only city in Eastern India to have an international airport and has one of the two major ports of the state. In recent times, IT sector has been growing at a rapid pace and the state of West Bengal has placed a priority on expanding this sector. In 2018, the state government announced the Silicon Valley Hub project with an aim to attract more investment in the IT sector and to build a world-class ecosystem for cutting-edge technology. The key drivers of demand for office space in Kolkata are:

- *Robust metro network underway for commute within Kolkata:* The expansion of the metro railway network in Kolkata would enhance connectivity by reducing the commute time significantly.
- *Presence of road, rail, air and water connectivity with the rest of India:* Kolkata has the strategic benefit of four-tier connectivity through roadways, railways, air and waterways. In terms of the railway network, there are twelve Eastern lines, three South-Eastern lines, one circular line, four Southern lines and nine chord lines. The major stations are Howrah Railway Station and Sealdah Railway Station. Kolkata is well connected with the entire country through various national highways and water bridges. Kolkata is a major port and together with the Haldia dock systems, the Kolkata Port Trust has been amongst the busiest in the country. Kolkata Port serves regular passenger traffic to Port Blair from the Netaji Subhas Docks. Netaji Subhash Chandra Bose Airport is an international airport. Spread across 2,460 acres, it is the largest hub of air traffic for the eastern corridor of the country.
- *City limits expanding to offer low occupation cost:* Salt Lake Sector 5, New Town and Rajarhat have captured a huge part of the office market due to availability of well-maintained Grade A and Grade B office developments at competitive rates.
- *Presence of prominent educational institutes:* With the presence of prestigious institutions, the city year on year delivers fresh graduates to fulfil the manpower requirement of various industries across the nation. Further, West Bengal has one of the biggest manpower pools in India with resources available at all levels of hierarchy.
- *Availability of resources at lower cost:* Although Kolkata is a metro city having all amenities as in the other metros of India, the living cost here is comparatively less. Thus, the cost of hiring is also lower as compared to other metropolitan cities
- *The only office market in eastern India:* Kolkata is the only active office market in Eastern India. Thus, it houses the zonal offices of all national players in the country and with the expansion of the city towards Rajarhat and New Town, the companies are also considering branching out further due to availability of Grade A facilities at comparatively cheaper rentals.

Kolkata is the largest office market in Eastern India by total supply and absorption. Historically, majority supply of office space has been in the form of standalone buildings which are mainly strata sold. The non-strata owned office stock of 6.88 msf has significantly outperformed strata owned office stock of 11.89 msf. In Q1 2023, the vacancy of non-strata owned office stock at 8.27% was significantly lower than the vacancy of strata owned office stock at 35.09%. During the last 7.25 years, the rental CAGR of non-strata owned office stock at 0.31% was higher than the rental CAGR of negative 0.81% of strata owned assets.

The table below highlights the key statistics of Kolkata's overall market:

Particulars	Non-Strata Owned	Strata Owned	Total Assets
<b>Total completed stock till Q1 2023 (msf)</b>	<b>6.88</b>	<b>11.89</b>	<b>18.76</b>
<b>Current occupied stock till Q1 2023 (msf)</b>	<b>6.31</b>	<b>7.72</b>	<b>14.02</b>
<b>Current Vacancy Q1 2023 (%)</b>	<b>8.27%</b>	<b>35.09 %</b>	<b>25.26%</b>
<b>Avg. Annual Net Absorption – 2015 – Q1 2023 (msf)</b>	<b>0.21</b>	<b>0.41</b>	<b>0.62</b>
<b>Future Supply (Q2 2023E – 2025E) (msf)</b>	<b>0.56</b>	<b>0.70</b>	<b>1.26</b>
<b>Rental CAGR (2015 – Q1 2023) (%)</b>	<b>0.31%</b>	<b>(0.81)%</b>	<b>(0.32%)</b>

Note:

1. Only Grade-A office spaces have been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. Additionally non-IT buildings has been excluded from supply.
4. Vacancy and net absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction building.
6. The rentals for Candor Techspace K1 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.

The table below highlights the key statistics of non-strata owned office stock in Kolkata's micro-markets:

Particulars	Rajarhat*	Kolkata
<b>Total completed stock (Q1 2023) (msf)</b>	<b>5.31</b>	<b>6.88</b>
<b>Current occupied stock (Q1 2023) (msf)</b>	<b>4.77</b>	<b>6.31</b>
<b>Current Vacancy (Q1 2023) (%)</b>	<b>10.12%</b>	<b>8.27%</b>
<b>Avg. Annual Net Absorption (2015 – Q1 2023) (msf)</b>	<b>0.18</b>	<b>0.21</b>
<b>Future Supply (Q2 2023E – 2025E) (msf)</b>	<b>0.56</b>	<b>0.56</b>

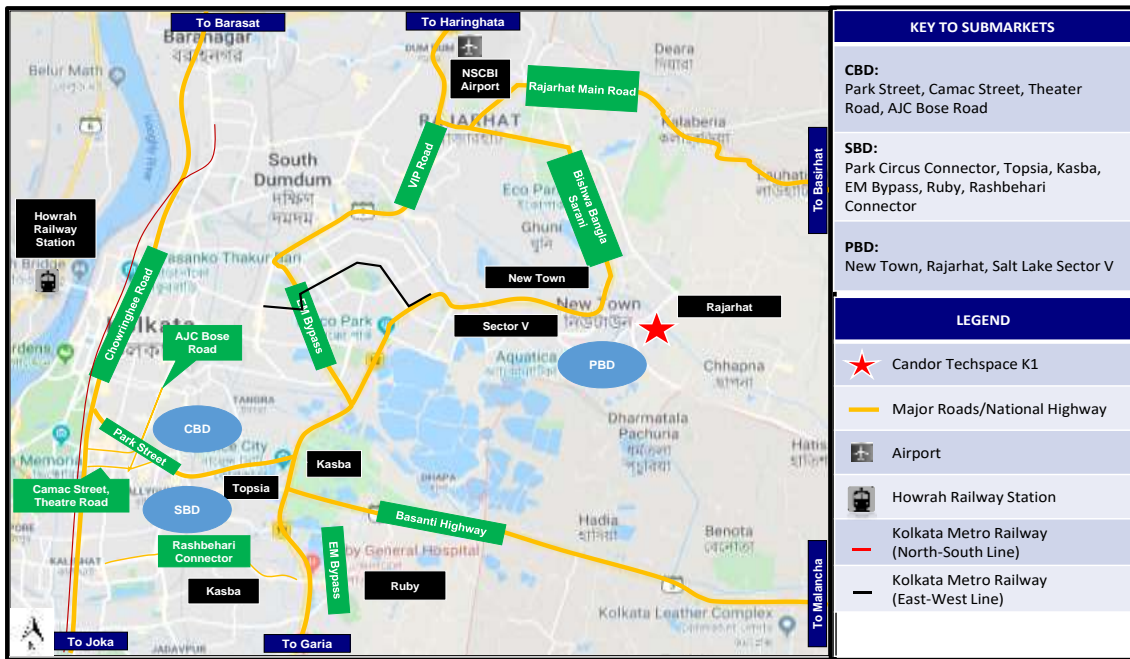
\* Candor Techspace K1 is in this micro-market.

Note:

1. Only Grade-A non-strata owned office spaces has been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. Additionally non-IT buildings and strata owned office stock has been excluded from supply.
4. Vacancy and net absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction building.



The following map depicts the overall Kolkata market and the location of Candor Techspace K1:

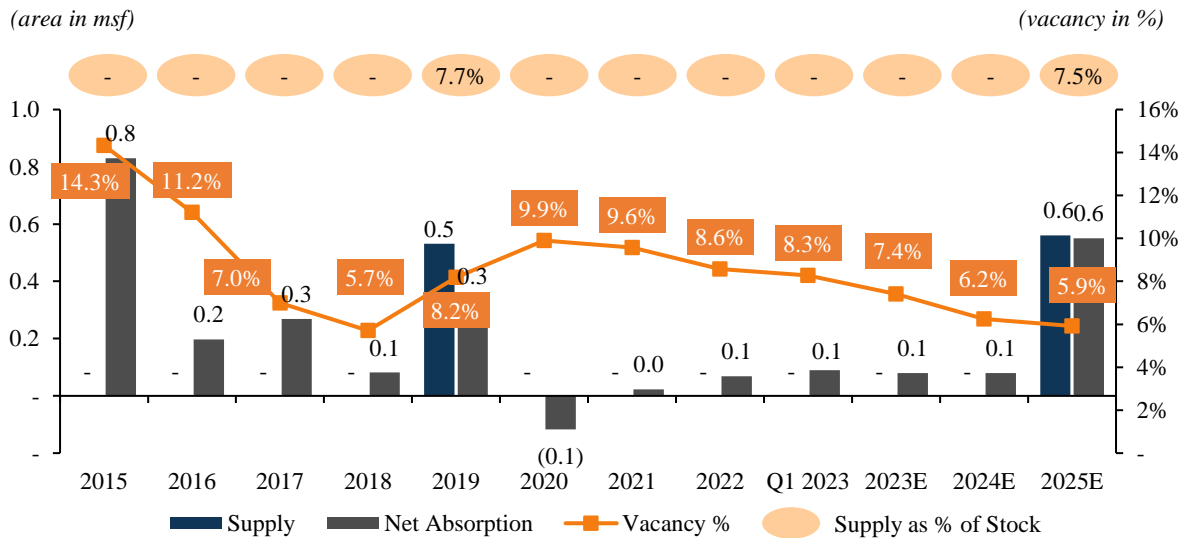


Note: The map is not to scale.

**Kolkata: Non-strata owned office market supply, absorption, vacancy and rental trends**

Brookfield is amongst the select large scale players having presence in Kolkata. Due to limited presence of large scale developers, the supply of good quality Grade-A office space in Kolkata has been low. However, absorption has outpaced supply in recent years and is expected to continue to do so with only one relevant supply of approximately 0.56 msf coming in between Q2 2023 and 2025. This supply is also part of Candor Techspace K1 at Rajarhat.

**Kolkata – Non-strata owned office market trends**

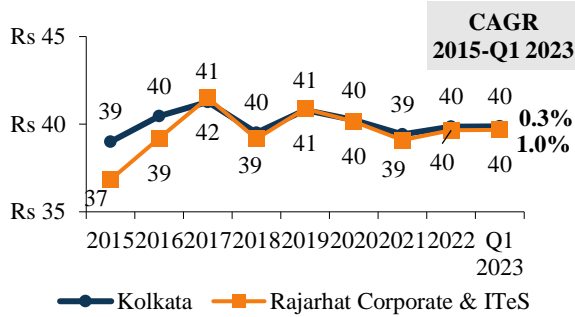


Note:

1. Only the relevant stock has been considered for this analysis which excludes the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Kolkata - rental trend analysis of non-strata owned stock**

(in ₹ psf/ month)

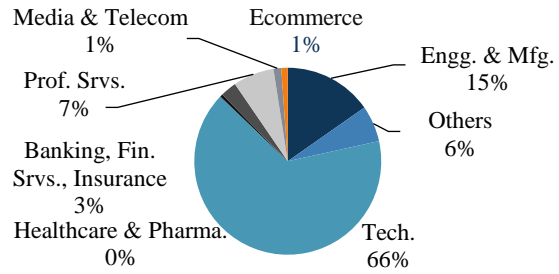


Note:

1. The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. The rentals for Candor Techspace K1 are sourced from the Client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
3. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
4. Only Grade-A office spaces have been considered for the analysis presented in the above table.

**Kolkata – Non-strata owned sectoral absorption analysis (2015-Q1 2023 ~3.62 msf)**

Share of domestic occupiers: 29%  
Share of foreign occupiers: 71%



Note:

1. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
2. Others include tenants involved in automobile, education, fast moving consumer goods, logistics and shipping, aviation, real estate & related services. The sectoral absorption analysis is based on gross absorption activity of Kolkata's non-strata owned relevant stock i.e., including any relocations or consolidations.
3. Transactions with more than 10,000 square feet area have been considered for domestic and foreign occupiers' analysis.

**4A. Rajarhat**

Rajarhat micro-market forms a part of the New Town Kolkata Planning Area and is being developed by the West Bengal Housing Infrastructure Development Corporation with the objective of establishing a new business centre in Kolkata. This developing micro-market has emerged as a prominent office micro-market and primarily comprises of Grade-A office stock, housing large IT/ITES occupiers. Rajarhat also houses the Bengal Silicon Valley, which is a key government initiative to promote the IT sector in the state. Additionally, the micro-market has superior infrastructure and connectivity through road and metro which is further being expanded. Candor Techspace K1 is a prominent office special economic zone, and the largest campus style office development in eastern India.

The following map sets forth the social infrastructure of the Rajarhat micro-market:



Note: The map is not to scale.

Key Office Developments	Social Infrastructure	Malls and High Street	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF 2 SEZ (1.0 km)	1. Tata Medical Centre (0.8 km)	1. Axis Mall (2.8 km)	1. Candor Techspace Commercial 1 (0.0 km)	2. Hotel Zone by The Park (2.0 km)	1. University of Engineering & Management (2.0 km)
2. TCS Geetanjali Park (1.8 km)	2. Bishwa Bangla Convention Centre (2.1 km)	2. DLF Galleria (3.1 km)		3. Pride Plaza (3.2 km)	2. Presidency University (1.5 km)
3. Ambuja Ecospace (2.5 km)	3. DPS New Town (1.8 km)	3. Centrus Mall (2.6 km)		4. Lemon Tree Premiere (3.2 km)	3. Aliah University (2.8 km)
4. Mani Casadona (2.9 km)	4. New Town School (2.0 km)			5. IBIS Hotel (3.2 km)	
5. DLF II SEZ (4.2 km)	5. Nazrul Tirtha (4.1 km)			6. Novotel (2.8 km)	
	6. Day Care Centers (<5 km)			7. The Westin (3.5 km)	
	7. Aquatica (3.0 km)			8. Hotel Fairfield by Marriott (2.0 km)	
	8. Bishwa Bangla Gate (1.6 km)				

<span style="color: blue;">●</span> Key Office Developments	<span style="color: yellow;">●</span> Social Infrastructure	<span style="color: orange;">●</span> Lifestyle Infrastructure	<span style="color: grey;">●</span> Under Construction & Proposed Office Developments	<span style="color: purple;">●</span> Hospitality Developments	<span style="color: teal;">●</span> Higher Education Institutions
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*Rajarhat: Non-strata owned building office stock, supply, and demand dynamics*

Particulars	Details
Total completed stock till Q1 2023 (msf)	Approximately 5.31 msf
Current occupied Stock till Q1 2023 (msf)	Approximately 4.77 msf
Current vacancy Q1 2023 (%)	Approximately 10.12%
Average annual net absorption – (2015 – Q1 2023) (msf)	Approximately 0.16 msf
Future supply – Q2 2023 E – 2025 E (msf)	Approximately 0.56 msf
Rental CAGR (2015 – Q1 2023) (%)	1.03%

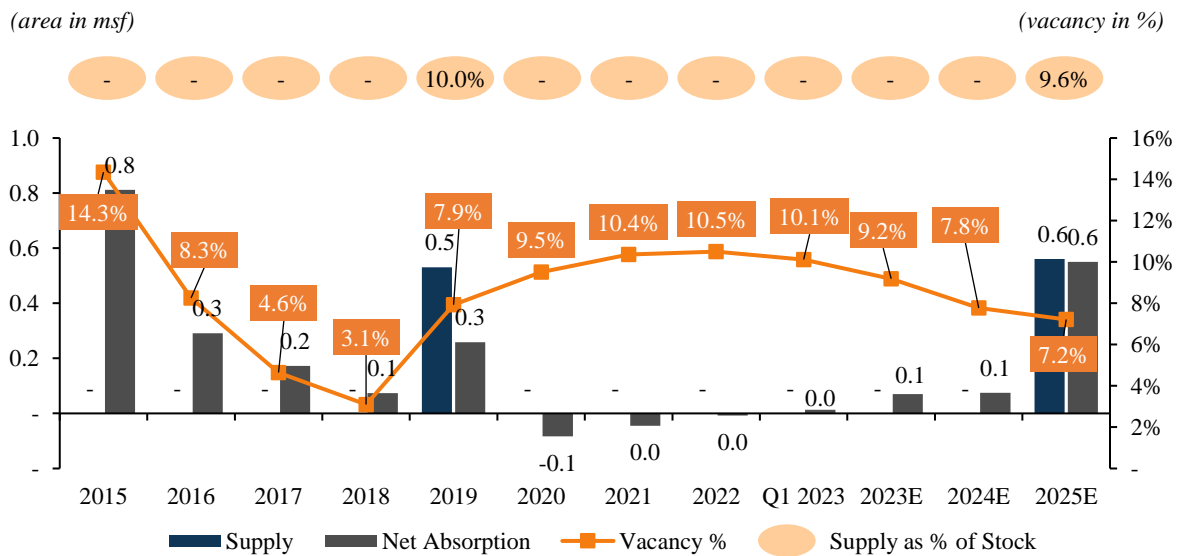
*Note:*

1. Only Grade-A non-strata owned office spaces has been considered for the analysis presented in the above table.
2. Stock and supply numbers are computed by excluding the buildings having an area of less than 100,000 square feet and applying certain other criteria.
3. Additionally non-IT buildings and strata owned office stock has been excluded from supply.
4. Vacancy and net absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction building.
6. The rentals for Candor Techspace K1 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.

**Rajarhat: Non-strata owned office market supply, absorption, vacancy and rental trends**

Rajarhat has seen a decline in vacancy levels, from 14.35% in 2015 to 10.12% in Q1 2023 which is expected to further decline to 9.19% by 2023E due to limited supply in the market. The micro-market has gained consistent demand traction due the availability of planned infrastructure and land for developments. Additionally, there have been various efforts from the government towards enabling conducive regulations to attract investors as well as developers for office developments. Further, given the limited supply of quality office space in the micro-market, Candor Techspace K1 is favorably placed and has seen significant absorption in recent years which led to lower vacancies.

**Rajarhat – Non-strata owned office market trends**



*Note:*

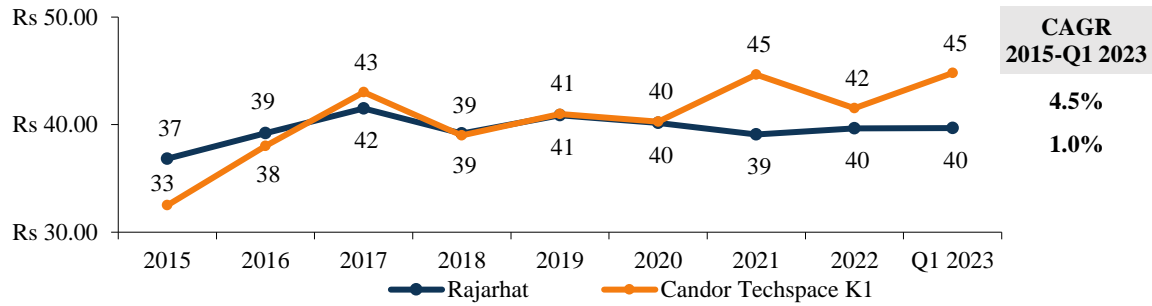
1. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
2. Only Grade-A office spaces have been considered for the analysis presented in the above table.
3. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived from past trends, current vacancy and estimated supply.
4. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

**Rajarhat: Non-strata owned building rental analysis**

The micro-market has gained consistent demand traction due the availability of planned infrastructure and land for developments. The following graph depicts the rental trend analysis of Rajarhat:

**Non-strata owned buildings in Rajarhat – Rental analysis**

(in ₹ psf/ month)



Note:

1. The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. The rentals for Candor Techspace K1 are sourced from the Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency..
3. Only the relevant stock has been considered for this analysis excluding the buildings having an area of less than 100,000 square feet, strata owned, non-IT buildings and applying certain other criteria.
4. Only Grade-A office spaces have been considered for the analysis presented in the above table.
5. The rentals for Candor Techspace K1 are sourced from the Client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.

## OUR BUSINESS AND PROPERTIES

*Unless otherwise stated, references in this section to “we”, “us” and “our” (including in the context of any financial or operational information) are to the Brookfield REIT, together with the Portfolio Companies. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Our actual results may differ from those anticipated in these forward-looking statements and projections. As such, you should also read “Forward Looking Statements” and “Risk Factors” on pages 24 and 37, respectively, which discuss a number of factors that could affect our financial condition and results of operations.*

*References herein to the “Current Portfolio” are to the property portfolio of the Brookfield REIT prior to the Acquisition Transactions and to the “Expanded Portfolio” are to the post-Acquisition Transactions portfolio of the Brookfield REIT. Our “Current Portfolio” comprises Kensington, Candor Techspace G2, Candor Techspace N1, Candor Techspace K1 and Candor Techspace N2. The “Expanded Portfolio” will comprise the Current Portfolio, Downtown Powai and Candor Techspace G1. We present various pro forma financial and operational information in this section to show the impact of the Acquisition Transactions. Upon successful completion of the Acquisition Transactions, we expect Downtown Powai and Candor Techspace G1 to be consolidated into our financial statements going forward. Accordingly, the pro forma and operational information included in this section takes into account the full operational and financial information of these entities. However, it should be noted that the Brookfield REIT’s share of the NDCF of Downtown Powai and Candor Techspace G1 will be 50% (consistent with the post-Acquisition shareholding of Brookfield REIT in Downtown Powai and Candor Techspace G1). See also “Risk Factors—Risks Related to Our Business and Industry – The pro forma financial and other information included in this Preliminary Placement Document is prepared for illustrative purposes only. Our actual results may be materially different from the actual outcome of the event or transaction as presented in the pro forma financial and other information.” on page 44.*

*Industry, macro-economic and market data, and all other industry related statements in this section have been extracted from the Industry Report commissioned by our Manager in relation to the Issue. Micro-market information used for comparative purposes in this section is for non-strata owned office stock. Unless otherwise specified in this section, (i) all business and operational information is presented as of March 31, 2023; (ii) references to area in ‘msf’ are to Leasable Area; and (iii) references to a specific tenant name also includes references to such tenant’s affiliates operating in India.*

### Business Overview

We are India’s first institutionally managed public commercial real estate vehicle. We are sponsored by an affiliate of Brookfield Corporation (*erstwhile Brookfield Asset Management Inc.*), whose asset management division is one of the world’s largest alternative asset managers with over US\$825 billion in assets under management, as of March 31, 2023. Our goal is to be the leading owner of high-quality, income-producing commercial real estate assets in key gateway Indian markets, which have significant barriers to entry.

Our Current Portfolio comprises five large campus-format office parks, which we believe are “business-critical” to our occupiers and are located in some of India’s key gateway markets – Mumbai, Gurugram, Noida and Kolkata. As of March 31, 2023, our Current Portfolio totals 18.7 msf, comprising 14.3 msf of Completed Area, 0.6 msf of Under Construction Area and 3.9 msf of Future Development Potential.

Our Current Portfolio’s Completed Area has an Effective Economic Occupancy of 88.9% (and a Committed Occupancy of 84.2%) as of March 31, 2023, and is leased to marquee multi-national corporations such as Accenture, Cognizant, Samsung and RBS. While a 7.9 year WALE provides stability to the cash flows of our Current Portfolio, we are well positioned to achieve further organic growth through a combination of contractual lease escalations, 20.7% mark-to-market headroom of in-place rents and lease-up of vacant areas. Our Current Portfolio is significantly complete and stable with Completed Areas constituting 93.8% of its GAV as of March 31, 2023.

We are committed to industry-leading sustainable development to deliver long term value to our stakeholders and to the communities we operate in. Some of our recent ESG initiatives include the execution of a power purchase agreement for Candor Techspace N1 and Candor Techspace N2 to procure 60% of the energy requirements through green energy by using the IEX platform, and installation of automatic tube cleaning systems in chillers at Candor Techspace G2 and Candor Techspace N2 to reduce condenser fouling and create energy savings. Our Manager also launched the Brookfield Properties Women’s Network which is a forum dedicated to supporting the professional and leadership development of women. Further, we are actively tracking

our emissions, closely working with relevant stakeholders and aim to achieve a net zero carbon footprint by 2040. We have also been recognized for our ESG efforts with accolades including a five-star rating awarded by GRESB in 2022, ISO 9001, ISO 14001 and ISO 45001 ratings for our Current Portfolio, and ISO 50001, platinum rating by Indian Green Building Council, Sword of Honour for Safety by British Safety Council and 5S gold rating by the Confederation of Indian Industry for some of our properties. We adopt strong corporate governance practices, and half of the Board of the Manager comprises independent directors. Additionally, we maintain protocols that are aimed at protecting the interests of Unitholders, including, a conservative leverage profile, simple and low fee structure and stringent oversight on related party transactions.

The primary objective of our strategy is to provide attractive risk-adjusted total returns to our Unitholders derived from:

- stable yield supported by our Current Portfolio's long-term contracted cash flows;
- property level income growth that is embedded in our Current Portfolio through contractual lease escalations, mark-to-market headroom of in-place rents and lease-up of vacant areas;
- opportunistic acquisitions; and
- asset value appreciation, through continuous investment in the properties to upgrade them.

On May 18, 2023, we entered into agreements for the acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, which owns and operates Downtown Powai comprising nine buildings, all located in Hiranandani Gardens, Powai, together with land adjoining the buildings, along with amenities and right to access roads on a non-exclusive basis, set up over a total area of 20.0 acres. We have also entered into agreements for the acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV, which owns and operates Candor Techspace G1, set up over a total of 25.2 acres in Sector 48, Gurugram. For details, please refer to "*The Acquisition Transactions*" on page 204.

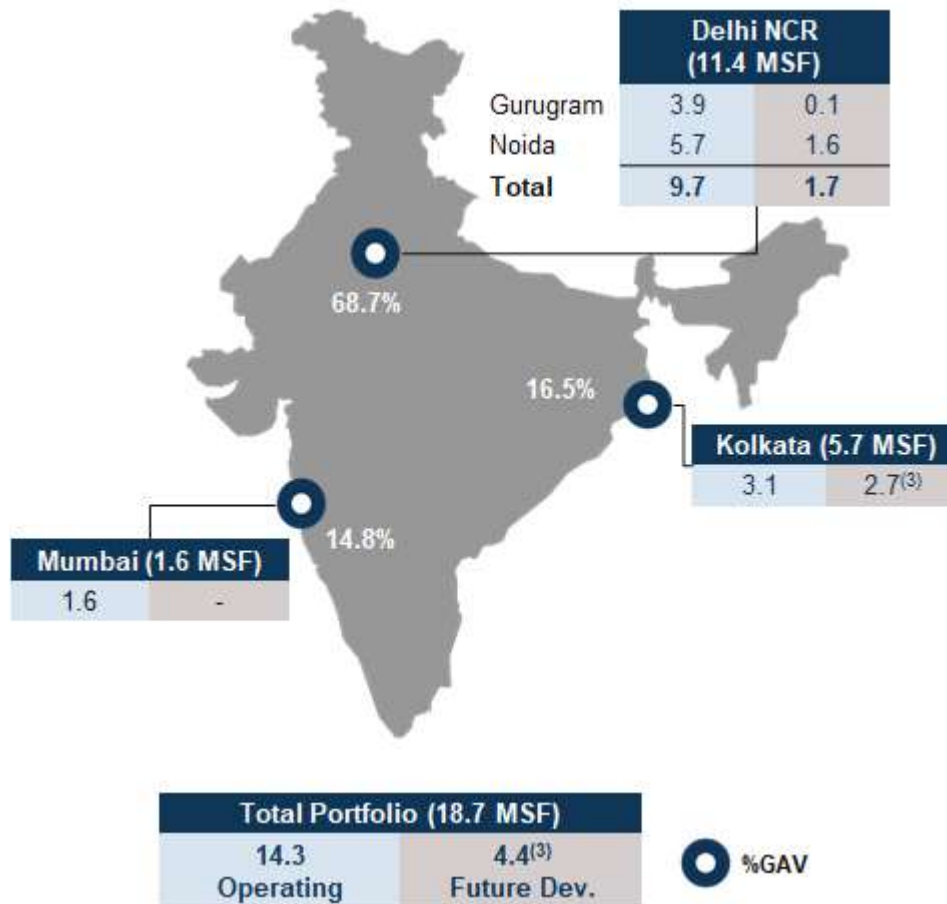
### **Key Highlights for the Financial Year 2023**

Our key business highlights for the Financial Year 2023 are set forth below:

- Achieved gross leasing of 2.1 msf, including 0.9 msf of new leasing and 1.3 msf of renewals.
- Robust embedded growth with 10.6% average escalation on 4.1 msf of leased area;
- 27.7% increase in income from Operating Lease Rentals (compared to the Financial Year 2022) to ₹8,268 million;
- 38.1% growth in Adjusted Net Operating Income (compared to the Financial Year 2022) to ₹9,608 million;
- Distributions of ₹20.20 per unit, totalling ₹6,769 million;

### **Our Current Portfolio**

Our Current Portfolio is geographically diversified across the key gateway markets of Mumbai, Gurugram, Noida and Kolkata. Our properties are strategically located in established micro-markets with easy access to mass transportation, high barriers to entry for new supply, limited vacancy, and robust historical rental growth rates.



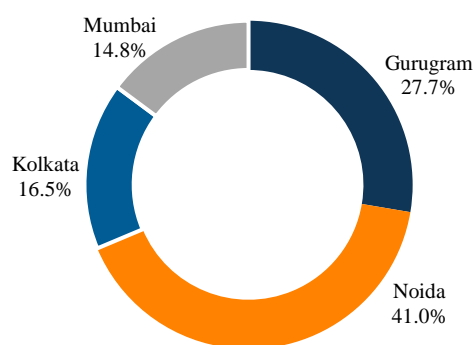
Asset	Area (in msf)			Leased Area Metrics				Valuation Metrics		
	Completed	Under Construction and Future Development Potential	Total	Area in msf	Number of Office Tenants	Committed / Economic Occupancy %	WALE (in years)	In-place Rent (in ₹ psf)	GAV <sup>(2)</sup> (₹ in billions)	Operating GAV %
Kensington	1.6	-	1.6	1.4	7	86.9%	11.5	104	24	100.0%
Candor Techspace G2	3.9	0.1	4.0	3.3	15	84.5%	7.7	83	45	98.8%
Candor Techspace N1	2.0	0.9	2.8	1.9	28	96.2%	7.3	49	24	87.7%
Candor Techspace N2	3.8	0.8	4.5	2.9	22	77.0%	7.4	56	43	94.4%
Candor Techspace K1	3.1	2.7 <sup>(3)</sup>	5.7	2.6	13	83.5%	7.1	43	27	84.3%
<b>Total</b>	<b>14.3</b>	<b>4.4</b>	<b>18.7</b>	<b>12.0</b>	<b>75<sup>(1)</sup></b>	<b>84.2% / 88.9%</b>	<b>7.9</b>	<b>65</b>	<b>164</b>	<b>93.8%</b>

**Notes:**

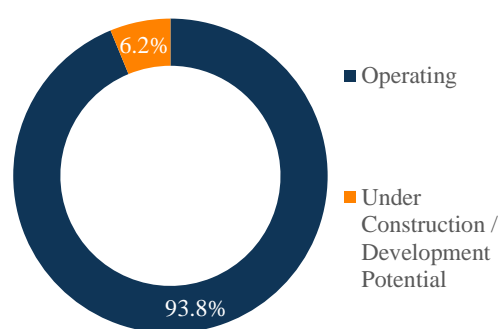
- (1) Seven tenants are present across more than one office park.
- (2) As of March 31, 2023.
- (3) Includes 0.6 MSF of commercial cum retail development which is under construction, wherein Gurgaon Infospace Limited (“GIL”) shall pay Candor Techspace K1 a sum of INR 1,000 million (inclusive of GST) (out of which INR 680 million has already been received) in instalments and be entitled to receive 28% of revenue comprising rentals, CAM margins, parking and any other revenue



**Asset Value by Geography\***



**Asset Value by Status\***



\*As of March 31, 2023

**Our Competitive Strengths**

We believe that the following competitive strengths differentiate us from other public commercial real estate companies and REITs in India:

- Global sponsorship with local expertise;
- Difficult to replicate, dominant and strategically located properties;
- Placemaking capabilities;
- Diversified blue chip tenant roster and cash flow stability;
- Significant identified internal and external growth opportunities;
- Experienced, cycle-tested senior management team; and
- Institutional corporate governance framework and strong alignment of interests.

***Global Sponsorship with Local Expertise***

We are sponsored by an affiliate of Brookfield Corporation, whose asset management business is one of the world’s largest alternative asset managers, with approximately US\$825 billion in assets under management as of March 31, 2023 across real estate, infrastructure, renewable power, private equity and credit, and a global presence with approximately 195,000 operating employees across more than 30 countries, as of May 31, 2023. Brookfield Corporation is listed on the New York Stock Exchange and the Toronto Stock Exchange and has a market capitalization of approximately US\$50 billion, as of March 31, 2023.

As of March 31, 2023, Brookfield Corporation has over US\$270 billion of real estate assets under management, and over 500 msf across multiple real estate asset classes, with strong real estate capabilities in leasing, financing, development, design, construction and property management. We also benefit significantly from Brookfield’s rich experience in managing listed vehicles globally. Our Manager, which is an affiliate of Brookfield, has a management team with extensive industry experience that helps us manage our office parks in India. We believe this provides us an informational advantage in our sector, with direct insights to help inform our views on leasing, operations and fundamental economic trends. We also believe our long-term success in executing our strategy is supported by Brookfield’s extensive local market and asset knowledge in India. Brookfield has had a decade-long presence in India and manages a portfolio of approximately US\$22 billion across real estate (US\$7 billion), infrastructure (US\$12 billion), renewable power (US\$1 billion) and private equity (US\$2 billion), as of March 31, 2023 in India. This portfolio in India provides valuable real-time, proprietary market data that we expect will enable us to identify and act on market conditions and trends more rapidly than our competitors.

Our Unitholders will benefit from our ability to leverage Brookfield’s extensive network of relationships, its deep capital markets experience, operating expertise, a demonstrated track record of managing capital and its

commitment of resources to our Manager. We also benefit from access to Brookfield's risk management, accounting, cash management and compliance policies. The alignment is further enhanced by Brookfield's substantial equity ownership in the Brookfield REIT.

### ***Difficult to Replicate, Dominant and Strategically Located Properties***

We believe that our office parks are among the highest quality office parks in India, distinguished by their size and scale and located in the key gateway markets of Mumbai, Gurugram, Noida and Kolkata. Our office parks are modern and recently built, with a median age of approximately nine years<sup>9</sup> for our Current Portfolio and require limited ongoing capital expenditure. Our properties are strategically located in established micro-markets with easy access to mass transportation, high barriers to entry for new supply, limited vacancy and robust historical rental growth rates. Many of our office parks command premium rents and have higher occupancies than the average rents and occupancies of the broader markets they are located within. Our size and scale in key markets of India provide us with extensive market information and enhance our ability to respond to market opportunities.

We believe that our office parks are very difficult to replace today on a cost-competitive basis, if at all. Institutionally owned and managed, all of our office parks are among the largest in their respective micro-markets and are distinguished by their scale and infrastructure. For example, spread across approximately 28.5 acres and with 4.0 msf of area (including Future Development Potential), Candor Techspace G2 is one of the largest office SEZs in Gurugram in terms of leasable area, with excellent road connectivity. Similarly, Candor Techspace K1, which is spread across 48.4 acres and with 5.7 msf of Leasable Area (including Future Development Potential), is eastern India's largest campus style office park with outperformance in rental growth as compared to the average rental growth in its micro-market.

### ***Placemaking Capabilities***

Placemaking is ingrained in our Manager and Sponsor's design, development and operating philosophy, enabling us to provide our tenants with a unique "service-based experience". The size and scale of our fully-integrated office parks allows us to deliver an all-encompassing workspace ecosystem to our tenants with modern infrastructure and amenities, including daycare facilities, premium F&B outlets, convenience shopping kiosks, shuttle services, multi-cuisine food courts and sports and fitness facilities, which further create an empowering and vibrant work environment for our tenants' employees and allow our properties to have a positive impact on our communities. As a result of our offerings, several tenants have relocated from other commercial properties to our office parks.

For example,

- a leading multinational consulting company, which had a small presence at Candor Techspace G2, consolidated its presence at our office park;
- a leading financial services company significantly increased the area it occupied at Candor Techspace N1; and
- a leading global hardware company relocated to Candor Techspace N2 amidst the COVID-19 pandemic.

Our properties are built for institutional tenants who have contemporary workspace requirements. This drives tenant retention as relocation by our tenants may result in high switching costs for them and their employees. Further, our campus-format large integrated parks provide a unique value proposition to our blue chip tenants who have specific needs to house multiple functions and teams out of a single office premises.

### ***Diversified Blue Chip Tenant Roster and Cash Flow Stability***

We believe that our office parks are "business-critical" to our tenants and their employees. In addition to our diversified base of marquee tenants, our Current Portfolio has a stable, long-term tenancy profile with staggered expirations and a WALE of 7.9 years, providing significant cash flow stability to our business. In our Current Portfolio, 78.0% of Gross Contracted Rentals are contracted with multi-national corporations such as RBS, Accenture and Cognizant. Our tenants operate in a diverse range of industries such as technology, financial

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<sup>9</sup> As of March 31, 2023.

services, consulting, analytics and healthcare. As of March 31, 2023, 78.5% of our leased area has been leased to multinational tenants, 40.2% of the leased area has been leased to Fortune 500 tenants and 46.7% tenants operate Global Capability Centres and/or research and development labs.

Through its own dedicated property managers and local expertise, our Manager has developed deep tenant relationships which combined with Brookfield's global institutional relationships, has led to 7.9 msf of new leasing and a 77.6% tenant retention rate from April 1, 2015 to March 31, 2023.<sup>10</sup> Further, we provide services including property management, facilities management and support services to our Current Portfolio, either internally or through CIOP, our wholly owned subsidiary.

### ***Significant Internal Growth Opportunities***

We believe that the value of our real estate assets will grow as a result of organic opportunities to increase NOI from our Current Portfolio. Brookfield has extensive local market knowledge and a global network of relationships, and we believe our access to Brookfield will provide opportunities for organic growth. Further, as a result of contractual escalation provisions in almost all of our leases, mark-to-market of in-place rents as long-term leases expire, lease-up of recently completed construction and near-term on-campus development, we have a strong foundation for organic cash flow growth. In addition, we believe our existing tenants will also provide a source of internal growth as they look to consolidate and expand in our office parks – for example, over the last seven financial years, over 50% of newly developed Completed Area in our Current Portfolio, was leased to existing tenants.

### ***Experienced, Cycle-Tested Senior Management Team***

Our Manager's team has deep domain knowledge and experience in managing the properties that form a part of our Current Portfolio and has demonstrated a robust track record in delivering value. Since April 1, 2015, our Manager has leased 7.9 msf and enhanced Completed Area by 6.0 msf within the Current Portfolio.

Our Manager is highly regarded in the real estate community and has extensive relationships with a broad range of tenants, brokers and lenders. Led by Alok Aggarwal (chief executive officer of our Manager), our Manager's team consists of 66 dedicated, experienced professionals, as of March 31, 2023. We believe that the team has in-depth experience in real estate investments, asset management, research and property management, with the key managerial personnel and core team having an average of more than 25 years of experience in the real estate industry in India. As such, our Manager has operating and investing experience through multiple real estate cycles, which we believe provides valuable insight and perspective into the portfolio management of our current office parks as well as underwriting new investments for us.

### ***Institutional Corporate Governance Framework and Strong Alignment of Interests***

We believe our governance structure reflects a rigorous approach to corporate governance, taking into account the interests of our Unitholders while leveraging our relationship with Brookfield, which has a strong track record of high standards of governance. Brookfield Corporation is listed on the NYSE and TSX and we benefit significantly from Brookfield's strong corporate governance standards.

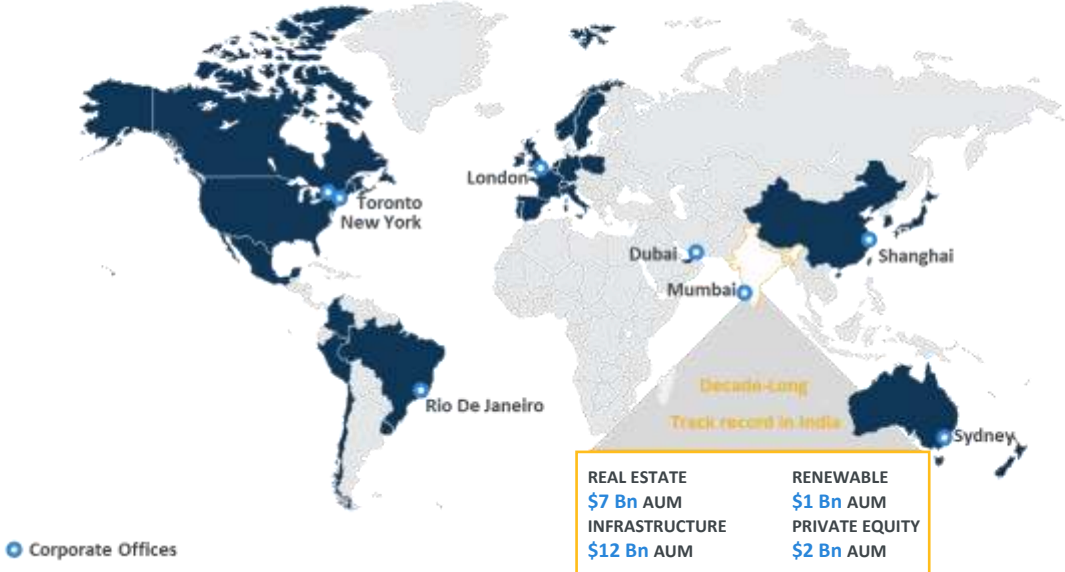
The governance structure is based on the following pillars that enable it to align and commensurately represent the interests of all our stakeholders:

- Significant level of Sponsor Group ownership in the Brookfield REIT creates an alignment with the interests of Unitholders;
- Half of our board is composed of independent directors;
- Robust related party transaction policies to facilitate arms-length evaluation of acquisition and divestment decisions, in line with global best practices and "majority of minority" approvals required;
- Commitment to ESG practices including installation of health infrastructure, focus on sustainability initiatives and activities that have a positive impact on the communities in which we operate; and
- Anti-bribery and anti-corruption policies in line with international standards.

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<sup>10</sup> Including Candor Techspace N2 for the entire period.

The Brookfield Advantage: Global Investor with Local Expertise  
~\$825 Bn Total AUM | 30+ Countries | ~195,000 Employees



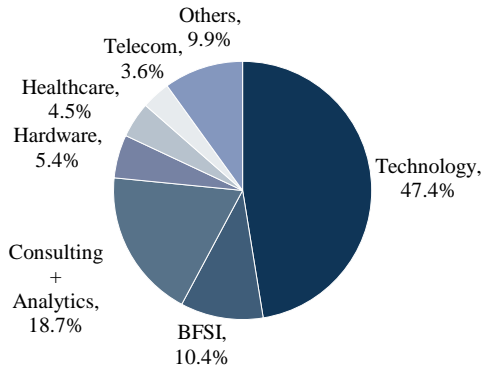
**Brookfield: One of the World's Largest Real Estate Portfolios**



**Diversified and Stable Tenancy**

**Diversified Tenant Mix**

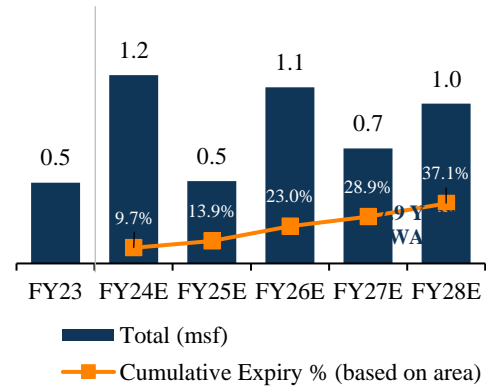
% split by area leased



**with Stable, Long Term Unexpired Lease Life**

7.9 Years  
WALE

20.7%  
MTM POTENTIAL<sup>(1)</sup>



\*As of March 31, 2023, according to the Industry Report.

**Tenant Expansion**

Our institutional real estate expertise and market leading asset management initiatives have translated into heightened tenant satisfaction. Leveraging our global tenant network, we have developed long-term relationships with multinational tenants establishing us as landlord-of-choice in our micro-markets.

Further, there was increased demand for expansion by some of our existing tenants (with 22.8% of the new leasing demand during the Financial Year 2023 being from existing tenants, as they continue to execute their return to office plans). The chart below sets forth the break-up of our gross leasing area in terms of tenants for the Financial Year 2023:



In addition to tenants expanding their footprint within our properties, we have also been successful in attracting prominent, large new tenants by serving their consolidation and relocation requirements, for instance:

- The relocation of Samsung in the first quarter of the Financial Year 2022 amidst the COVID-19 pandemic highlights the demand for premium Grade A office space and the leading market position of Candor Techspace N2. Samsung has leased 377,000 sf for 10 years, with a lock-in period of six years, at approximately 40% premium to per sf rent that was being paid by them in their previous location.

- A leading Fortune 500 company, opened their first center in North India at Candor Techspace G2. This company has leased 211,000 sf with a 15 year lease term along with an option to expand their footprint by another 291,000 sf over time.

### **Business and Growth Strategies**

Our primary objective is to maximize total returns for our Unitholders through a combination of growth and value-creation at the asset level supported by highly predictable, stable cash flows. We believe that we are well positioned to benefit from India's young demographic tailwinds and strong commercial real estate fundamentals to grow both organically and via a disciplined acquisition strategy. Specifically, we intend to pursue the following strategies to achieve our objective:

#### ***Leveraging Brookfield and our Manager's Operating Expertise for Proactive Asset and Property Management***

We believe Brookfield and our Manager's proactive, service-intensive approach to asset and property management helps achieve stabilized occupancy and increase rental rates. We leverage Brookfield and our Manager's placemaking capabilities, comprehensive building management services and strong commitment to tenant satisfaction and relationships to attract high-quality tenants and negotiate attractive lease terms. Our Manager proactively manages our rent roll and maintains continuous communication with our tenants through various initiatives and tenant engagement programs. We believe we also benefit from Brookfield's global relationships with marquee tenants as well as strong in-house asset management capabilities to meet the evolving requirements of existing and prospective tenants. We believe Brookfield's and our Manager's long-term tenant relationships and local experience will improve our operating results by reducing leasing and marketing costs as well as tenant churn. The breadth and scale of Brookfield's reach combined with the granular local expertise and relationships of our Manager uniquely positions us to support the real estate strategies of our diverse base of blue-chip tenants.

We aim to continuously improve our properties to provide premium infrastructure and facilities for our tenants, including renovating and modernizing building lobbies, corridors, elevators, lighting, energy-efficient retrofitting and upgrading base building systems. Our planned capital expenditure as of March 31, 2023 was ₹2,623 million, primarily towards development and upgradation of new and existing towers, as illustrated in the table below:

#### *Asset upgrades*

Asset	Amount (₹ in millions)	Estimated completion date
Festus (for Kensington)	68	September 30, 2023
Candor Kolkata (for Candor Techspace G2)	62	September 30, 2023
SPPL Noida (for Candor Techspace N1)	93	September 30, 2023
SDPL Noida (for Candor Techspace N2)	70	September 30, 2023
Candor Kolkata (for Candor Techspace K1)	7	September 30, 2023

#### *New developments*

Asset	Amount (₹ in millions)	Estimated completion date
Candor Kolkata (for Candor Techspace K1)	2,323	December 31, 2025

These asset upgrades and new developments are designed to improve the overall value and attractiveness of our office parks.

#### ***Capitalize on our Current Portfolio's Embedded Organic Growth and On-Campus Development Potential***

We believe our Current Portfolio is well positioned to achieve high organic growth through in-built contractual escalations, re-leasing to existing tenants at market rents (in-place rents had an average 20.7% mark to market potential, as of March 31, 2023), lease-up of existing vacancy (2.3 msf), and on-campus development (4.4 msf of Future Development Potential).

The leases for our Current Portfolio are generally long-term, ranging up to fifteen years, which provides visibility on the growth of our future cash flows. A majority of these leases have built-in escalations of either 12% to 15%

every three years, which provide strong cash flow growth and protection against inflation for our Unitholders. As of March 31, 2023, our Current Portfolio had vacant and leasable space of 2.3 msf, which we believe can be leased out in the near term based on the demand for high quality office space, our strong tenant relationships and the track record of our Manager. We achieved new leasing of 0.9 msf in the Financial Year 2023. During the Financial Year 2023, 18.2% of our gross leasing was to new tenants, 22.8% of our gross leasing was to our existing tenants such as Amazon and Xceedance, and 59.0% of our gross leasing were renewals from our existing tenants such as Mercer, Tata Consultancy Services and Genpact. Due to the long-term nature of leases and strong market rent growth, market rents are 20.7% above the in-place rentals for our Current Portfolio, as of March 31, 2023. The significant upside potential provides higher renewal rental opportunities. Approximately 1.2 msf is expected to come up for expiry in the Financial Year 2024, with a 19.3% mark to market potential. Such mark to market potential and attractive re-leasing spreads within our Current Portfolio are expected to continue to drive growth as more leases come up for renewals.

#### *Future on-campus development*

Further, our Current Portfolio has a Future Development Potential of 4.4 msf, of which 0.1 msf is at Candor Techspace G2, 0.9 msf is at Candor Techspace N1 and 0.8 msf is at Candor Techspace N2. The remaining 2.7 msf is located in Candor Techspace K1 (of which 2.1 msf can be developed as mixed-use including commercial office, retail and/or serviced apartments), which will be developed based on strategic and commercial considerations. On November 19, 2020, Candor Kolkata and GIL entered into a joint development agreement for developing 0.6 msf of commercial-cum-retail development out of the total Future Development Potential of 2.7 msf.

Our Manager expects to continue with development with a focus on pre-leasing and build-to-suit demand.

#### *Pursue Disciplined and Accretive Acquisition Growth Opportunities*

We intend to continue pursuing disciplined and accretive acquisition growth opportunities for office assets across key gateway markets in the country. We plan to explore opportunities to acquire, manage and own high-quality income-producing commercial real estate assets in key Indian gateway cities, such as those located in prime and preferred locations and with high transportation connectivity and proximate residential catchments for the tenants' workforce. Our acquisition strategy includes diversifying our portfolio across geographies and tenants. Our acquisition strategy will focus on long-term growth and total return potential, rather than short term cash returns.

We believe we are well positioned to undertake disciplined and accretive acquisition opportunities, given our knowledge of local markets, particularly gateway cities, asset management capabilities and tenant relationships. Our capability to acquire desired opportunities is expected to be supported by our relatively high capital structure flexibility, resulting in relatively low levels of leverage. As of March 31, 2023, our LTV<sup>11</sup> amounted to 32.2%, providing us significant capital availability in relation to the regulatory cap of 49.0%. Our low-levered balance sheet is expected to enable us to drive growth by undertaking value accretive future acquisitions. On May 18, 2023, we entered into agreements to acquire 50% share capital (on a fully diluted basis) of Downtown Powai SPV and G1 SPV. Downtown Powai is a prime office and high-street retail portfolio and comprises nine commercial properties located in Hiranandani Gardens, Mumbai. Candor Techspace G1, Gurugram is one of the largest high quality campus office developments in Gurugram, spread across an area of 25.2 acres. Pursuant to the Acquisition Transactions, our Expanded Portfolio's Completed Area will increase to 20.6 msf from 14.3 msf of Completed Area in our Current Portfolio, reflecting an increase of 44.4%, and our consolidated GAV will increase by 72.8% to ₹282,892 million. Further, the Acquisition Transactions will lead to an increase in our Effective Economic Occupancy from 88.9% to 91.0%, and the addition of premium asset infrastructure will lead to a 23.0% increase in the in-place rent from ₹65 psf to ₹80 psf. For details, please see “- The Acquisition Transactions” below.

#### *Prudent and Flexible Capital Structure Positioned for Growth*

We employ a prudent capital management strategy and seek to maintain a simple capital structure with asset-level debt. As of March 31, 2023, our LTV amounted to 32.2%, providing us significant capital availability in relation to the regulatory cap of 49.0%. Further, we are rated AAA/Negative by CRISIL, and a conservative

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<sup>11</sup> LTV represents our Net Debt as a percentage of Gross Asset Value as of March 31, 2023.

leverage profile provides us the flexibility to fund future acquisitions with a desirable mix of debt and equity to facilitate value accretive growth for us and our Unitholders.



## THE ACQUISITION TRANSACTIONS

### Overview

On May 18, 2023, we entered into agreements for the acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, which owns and operates Downtown Powai comprising nine buildings, all located in Hiranandani Gardens, forming part of a larger township at Powai together with land adjoining each of the buildings, along with amenities and rights to access roads on a non-exclusive basis set up over a total area of 20.0 acres. We have also entered into agreements for the acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV, which owns and operates Candor Techspace G1, set up over a total of 25.2 acres in Sector 48, Gurugram, Haryana. We propose to undertake the Downtown Powai Acquisition by acquiring Downtown Powai SPV from its current shareholders (*i.e.*, the Downtown Powai Sellers) under the ROFO Agreement in accordance with the terms of the Downtown Powai REIT SPA. The remaining 50% share capital (on a fully diluted basis) of Downtown SPV is proposed to be acquired by Reco Europium, an affiliate of GIC. We propose to undertake the G1 Acquisition by acquiring G1 SPV from its current shareholders, BSREP IOH II and BSREP IOH and subscribing to the G1 Issuance Securities. The remaining 50% share capital (on a fully diluted basis) of G1 SPV is proposed to be acquired by Reco Cerium, an affiliate of GIC. Further, in relation to the acquisition of Candor G1, we also propose to acquire 100% of the share capital (on a fully diluted basis) of MIOP from the MIOP Shareholders in accordance with the provisions of the MIOP Option Agreement subject to the conditions set out therein, including MIOP's fulfilment of its obligations under the G1 Income Support Agreement. For details, please refer to “*The Acquisition Transactions*” on page 204.

### Key Pro Forma Operational Information

The tables below set forth key pro forma operational information relating to the Expanded Portfolio, as of March 31, 2023:

Asset	Area (in MSF)			Leased Area Metrics				Valuation Metrics <sup>(4)</sup>		
	Completed	Under Construction and Future Development Potential	Total	Area in MSF	Number of Office Tenants	Committed / Economic Occupancy %	WALE (in years)	In-place Rent (in ₹ psf)	GAV <sup>(1)</sup> (₹ in billions)	Operating GAV %
Current Portfolio	14.3	4.4	18.7	12.0	75 <sup>(2)</sup>	84.2% / 88.9%	7.9	65	164	93.8%
Downtown Powai	2.7	0.1	2.7	2.4	52	89.3%	3.8	163	69	97.8%
Candor Techspace G1	3.7	0.1	3.8	2.8	19	75.4% / 100.0% <sup>(3)</sup>	6.7 <sup>(3)</sup>	75 <sup>(3)</sup>	50	98.8%
<b>Expanded Portfolio</b>	<b>20.6</b>	<b>4.6</b>	<b>25.2</b>	<b>17.2</b>	<b>136</b>	<b>83.3% / 91.0%<sup>(3)</sup></b>	<b>7.1<sup>(3)</sup></b>	<b>80<sup>(3)</sup></b>	<b>283</b>	<b>95.7%</b>

*Notes:*

- (1) As of March 31, 2023.
- (2) Seven tenants are present across more than one office park.
- (3) Effective Economic Occupancy for the Expanded Portfolio considers 100% Effective Economic Occupancy for Candor Techspace G1 pursuant to the Income Support. See also “*The Acquisition Transactions – Key Terms of G1 Acquisition Agreements – G1 Income Support Agreement*”. In-place rent and WALE are only for the Leased Area and do not consider the impact of the Income Support.
- (4) The valuation metrics for the Expanded Portfolio are based on the valuation reports dated May 16, 2023, issued by the Valuers, Ms L. Anuradha and ANVI Technical Advisors Private Limited, which are based on various assumptions. See also “*Annexure D – Valuation Reports of the Target Assets*” and “*Risk Factors – Risks Related to Our Business and Industry – The valuation reports obtained for our Expanded Portfolio are based on various assumptions and may not be indicative of the true value of the asset.*”

### Impact of the Acquisition Transactions

#### Increased Scale

Set forth below are certain key parameters indicating the increase in scale of our operations pursuant to the Acquisition Transactions:

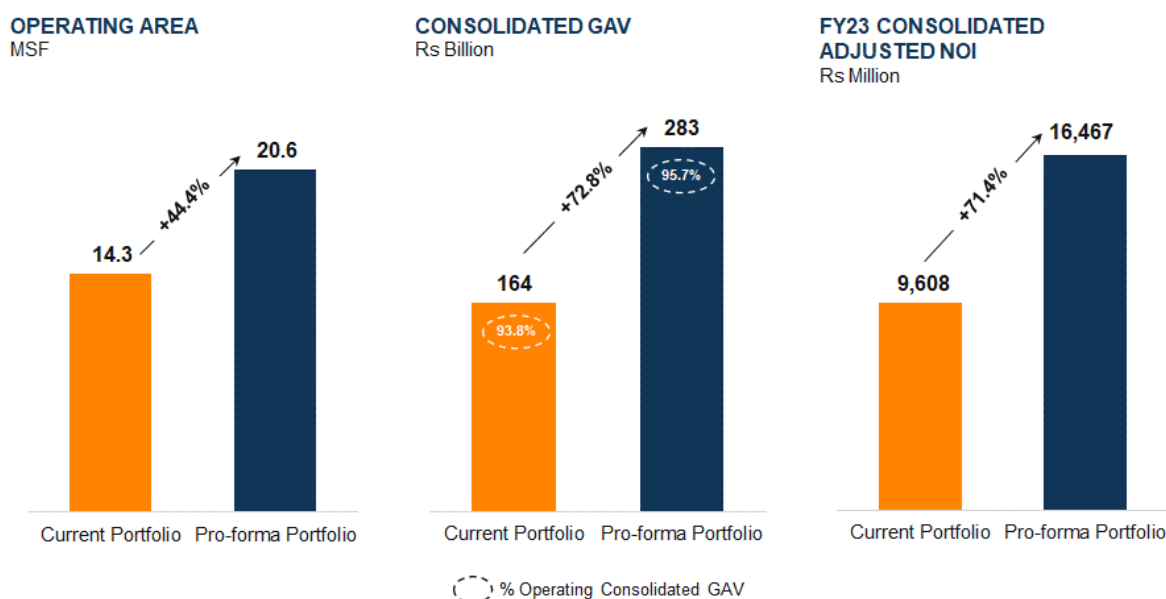
Particulars	Current Portfolio	Expanded Portfolio	Increase
Leasable Area (msf)	18.7	25.2	34.9%
Completed Area (msf)	14.3	20.6	44.4%
Effective Economic Occupancy (%)	88.9%	91.0% <sup>(1)</sup>	203 basis points
Committed Occupancy (%)	84.2%	83.3%	-

Particulars	Current Portfolio	Expanded Portfolio	Increase
WALE (years)	7.9	7.1 <sup>(1)</sup>	-
Number of office tenants	75	136	81.3%
In-place rent (₹ psf)	65	80 <sup>(1)</sup>	23.0%

Note:

(1) Effective Economic Occupancy for the Expanded Portfolio considers 100% Effective Economic Occupancy for Candor Techspace G1 pursuant to the Income Support. See also “*The Acquisition Transactions – Key Terms of G1 Acquisition Agreements – G1 Income Support Agreement*”. In-place rent and WALE are only for the Leased Area and do not consider the impact of the Income Support.

Pursuant to the Acquisition Transactions, our Expanded Portfolio’s Completed Area will increase to 20.6 msf from 14.3 msf of Completed Area in our Current Portfolio, reflecting an increase of 44.4%, our consolidated GAV will increase by 72.8% to ₹282,892 million, and our consolidated pro-forma Net Operating Income will increase from ₹9,608 million for our Current Portfolio to ₹16,467 million for our Expanded Portfolio, as of March 31, 2023, as represented below:



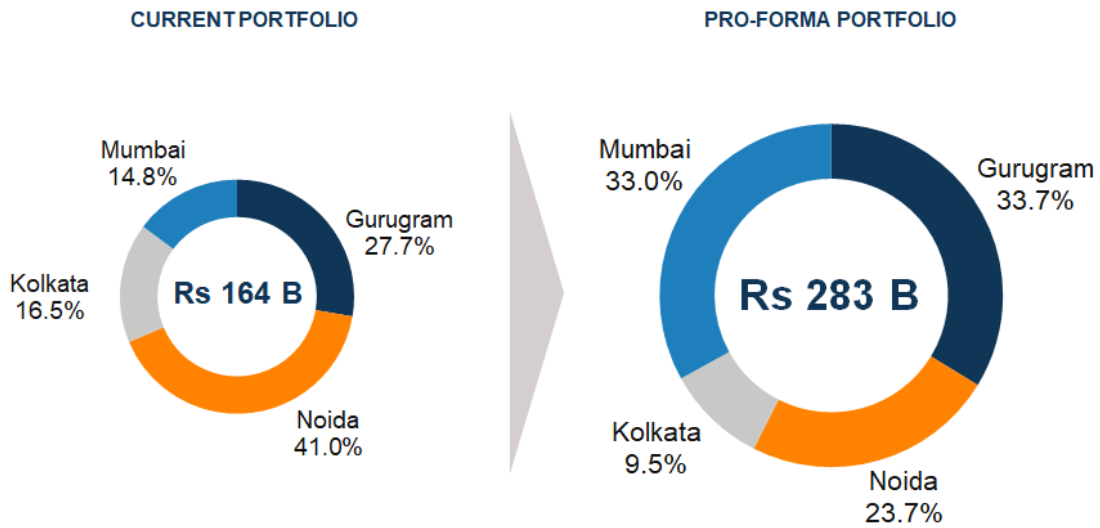
Note: The Consolidated NOI is based on the Special Purpose Condensed Combined Financial Statements and the Consolidated Financial Statements. For details, please refer to “Financial Information” on page 247.

### ***Improved Diversification***

#### *Geographical Diversification*

The Acquisition Transactions will lead to consolidation of our presence in Mumbai and Noida, and increase our consolidated GAV in these markets, as set forth below:

CONSOLIDATED GAV BY GEOGRAPHY <sup>(1)</sup>



Notes:

- (1) As of March 31, 2023.
- (2) The pro-forma GAV is based on the valuation reports dated May 16, 2023, issued by the Valuers, Ms L. Anuradha and ANVI Technical Advisors Private Limited, which are based on various assumptions. See also “Annexure D – Valuation Reports of the Target Assets” and “Risk Factors – Risks Related to Our Business and Industry – The valuation reports obtained for our Expanded Portfolio are based on various assumptions and may not be indicative of the true value of the asset.”

The map below sets forth our presence across cities in India after the completion of the Acquisition Transactions:

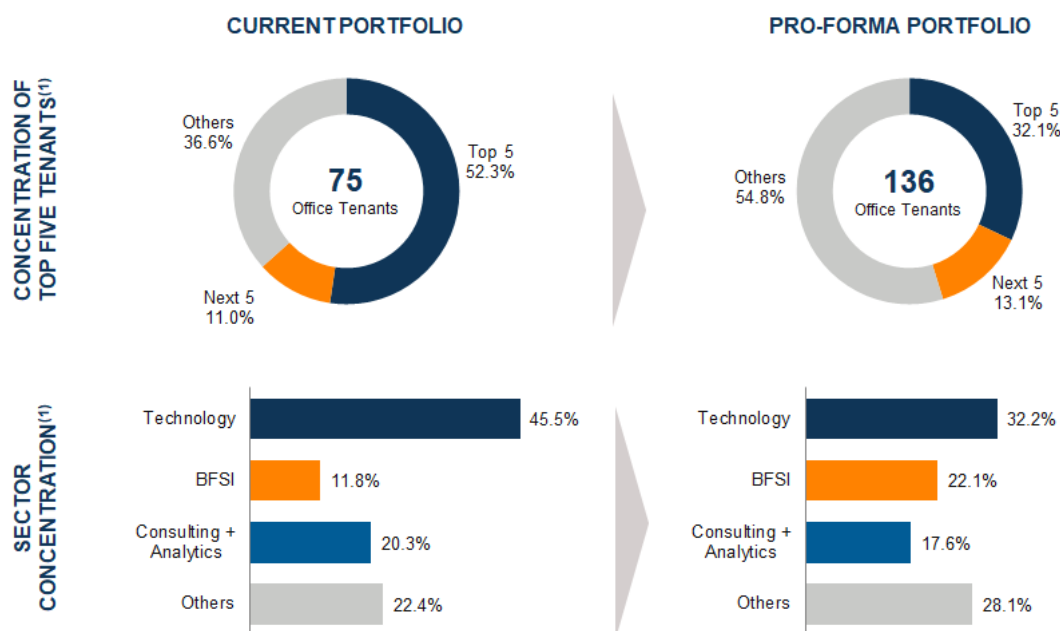


Diversification in the Tenancy Profile

The Acquisition Transactions will further improve our tenancy profile by an addition of 61 office tenants, including large multi-national companies with sizeable footprints, with approximately 16 tenants occupying more than 0.1 msf each. Set forth below are the pro forma details of our top 10 tenants in terms of Gross Contracted Rentals in our Expanded Portfolio:

Tenant	Tenant Sector	% of Gross Contracted Rentals	% of area leased
Accenture	Consulting	9.6%	10.2%
Tata Consultancy Services	Technology	8.4%	9.7%
Cognizant	Technology	6.8%	9.8%
Capgemini	Technology	3.9%	5.1%
TLG (Sapient)	Technology	3.4%	3.5%
Deloitte USI	Consulting	3.4%	1.7%
RBS	Financial Services	2.8%	2.5%
An international investment bank	Financial Services	2.5%	1.3%
An international investment bank	Financial Services	2.3%	1.3%
CRISIL	Financial Services	2.2%	1.2%
<b>Total for 10 largest tenants by gross contracted rentals</b>		<b>45.2%</b>	<b>46.3%</b>

Improved tenancy diversification will result in a significant reduction in our dependence on our top five tenants from 52.3% to 32.1%, and diversification of sector exposure through a higher share of tenants from financial services from 11.8% to 22.1%, as set forth below:



### Current and estimated rental yields for the Target Assets

As required by Regulation 19(6)(f) of the REIT Regulations the current and expected rental yield details of the Target Assets are provided below

Particulars	Candor Techspace G1	Downtown Powai
<b>Operating</b>		
Operating Area <sup>(1)</sup>	3.7 MSF	2.7 MSF
Committed Occupancy <sup>(2)</sup> %	75.4%	89.3%
<b>Current NOI Run Rate for the Leased Area based on metrics as of/for the year ended March 31, 2023<sup>(3)</sup></b>		
Leased Area (msf) (A) <sup>(4)</sup>	2.8	2.4
OLR <sup>(5)</sup> (₹ psf/month) (B)	₹77	₹163
OLR <sup>(6)</sup> (₹ million) (C = A x B x 12)	₹2,585	₹4,637
NOI / OLR Ratio <sup>(7)</sup> % (D)	105.7%	96.0%
<b>Current NOI Run Rate for Leased Area<sup>(8)</sup> (E = C x D) (₹ million)</b>	<b>₹2,731</b>	<b>₹4,450</b>
<b>Estimated NOI for the Vacant Area based on metrics as of/for the year ended March 31, 2023</b>		
Vacant Area (msf) (F) <sup>(9)</sup>	0.9	0.3
OLR <sup>(10)</sup> (₹ psf/month) (G)	₹77	₹163
OLR <sup>(11)</sup> (₹ million) (H = F x G x 12)	₹842	₹554
NOI / OLR Ratio <sup>(12)</sup> % (I)	105.7%	96.0%
<b>Estimated NOI for Vacant Area<sup>(13)</sup> (J = H x I) (₹ million)</b>	<b>890</b>	<b>532</b>
<b>Total Estimated NOI (E + J) (₹ million)</b>	<b>₹3,621</b>	<b>₹4,981</b>
<b>Valuation Summary (as of March 31, 2023)</b>		
Acquisition Price (₹ million)	₹47,250	₹65,000
Value of Operating Area <sup>(14)</sup> (% of total)	98.8%	97.8%
<b>Value of Operating Area (K) (₹ million)</b>	<b>₹46,676</b>	<b>₹63,593</b>
<b>Current NOI Yield<sup>(15)</sup> % (based on metrics as of March 31, 2023) (E/K)</b>	<b>5.9%</b>	<b>7.0%</b>
<b>Estimated NOI Yield<sup>(16)</sup> % (based on metrics as of March 31, 2023) ((E + J)/K)</b>	<b>7.8%</b>	<b>7.8%</b>

*Notes:*

- (1) Operating Area as of March 31, 2023
- (2) Committed Occupancy as of March 31, 2023
- (3) Based on the standalone financial statements of G1 SPV and Downtown Powai SPV for the Financial Year 2023.
- (4) Leased Area as of March 31, 2023
- (5) In-place Operating Lease Rentals as of March 31, 2023
- (6) Estimated annualized income from Operating Lease Rentals
- (7) Actual Net Operating Income / Operating Lease Rentals ratio for Financial Year 2023
- (8) Calculated based on NOI / OLR Ratio above
- (9) Vacant Area as of March 31, 2023
- (10) Assuming that the Vacant Area is able to achieve the same OLR as the Leased Area as of March 31, 2023
- (11) Annualized rental potential from vacant areas
- (12) Actual Net Operating Income / Operating Lease Rentals ratio for Financial Year 2023
- (13) Calculated based on NOI / OLR Ratio above
- (14) As per the average of the two independent valuation reports for the Target Assets
- (15) Ratio of E to K
- (16) Ratio of (E + J) to K

Current NOI for Leased Area, Estimated NOI for Vacant Area, Current NOI Yield and Estimated NOI Yield in the table above are provided for illustrative purposes, solely to comply with the requirement of Regulation 19(6)(f) of the REIT Regulations.

Total Estimated NOI and Estimated NOI Yield are based on various assumptions and estimates calculated on the basis of historical information, and actual results may be materially different from the expectations expressed or implied herein. These assumptions and estimates include the following:

- *Operating lease rentals:* OLR (₹psf/month) for the Target SPVs for the Financial Year 2023 has been calculated based on the operating lease rentals which were in place as of March 31, 2023. Based on these in-place operating lease rentals, the OLR for leased areas has been calculating by assuming that such the in-place operating lease rentals were received for each month in Financial Year 2023 across all leased areas by both Target SPVs. If the Target SPVs experience any termination of lease rentals and/or re-leasing at lower rentals, this will result in a lower OLR. As a result, the actual rental yields may be lower than the estimates provided in the table above.
- *Net Operating Income:* The NOI for Leased Areas for the Target SPVs has been calculated by multiplying the OLR for the Financial Year 2023 by the historical NOI / OLR ratio for the same period. We cannot assure you that the actual NOI will be the same as the NOI that we have derived based on our OLR for Financial Year 2023.
- *Vacant Areas:* OLR and NOI for the vacant areas has been calculated by assuming that the we will derive the same operating lease rentals (₹psf/month) for these areas when they are leased out as currently derived from the leased areas, and that the NOI/OLR ratio for the vacant areas will remain consistent with the NOI/OLR ratio for the leased areas. If we are unable to lease out the vacant areas on similar commercial terms as the leased areas, this could significantly impact our Estimated NOI Yield.

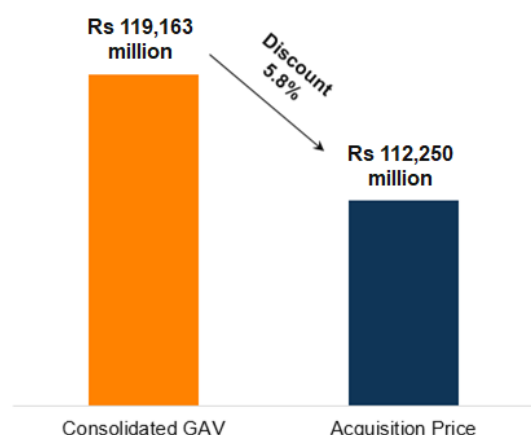
Further, given that Current NOI Run Rate, Current NOI Yield, Estimated NOI and Estimated NOI Yield are non-GAAP measures and are not defined in the Ind AS or IFRS, they are not to be considered as substitutes for the defined operating performance metrics such as revenue from operations, net income or cash flow from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends.

See also “*Risk Factors – Risks Related to Our Business and Industry – The current and estimated rental yields for the Target Assets included in this Preliminary Placement Document are solely for illustrative purposes to comply with the requirements of the REIT Regulations. Actual rental yields for the Target Assets may materially differ from the expectations expressed herein*” on page 45.

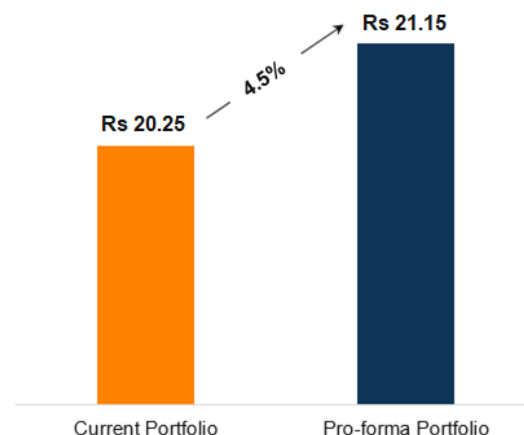
***Accretive Acquisitions***

We propose to undertake the Acquisition Transactions at a discount of 5.8% to the average of the independent valuations of ₹119,163 million (the sum of the average of the independent valuations of Downtown Powai SPV and G1 SPV) of the Target Assets, at ₹112,250 million, and based on various assumptions, we expect the Acquisition Transactions to result in 4.5% accretion of our NDCF, as set forth below:

**DISCOUNT TO CONSOLIDATED GAV<sup>(1)</sup>**  
Rs Million



**ACCRETIVE TO NDCF<sup>(2)</sup>**  
Rs per Unit



**Notes:**

- (1) Based on average valuations of two IBBI registered independent valuers.
- (2) Assuming a proposed Issue of up to 124 Million Units at an indicative price of ₹275 per Unit, aggregating to ₹34,000 million; NDCF accretion includes income support for Candor Techspace G1 and assumes ₹43 billion debt refinanced at 8.5% per annum paid monthly (“p.a.p.m”). There is no assurance that this Issue will actually aggregate to ₹34,000 million or that the debt will be refinanced on these terms.

Details of our incremental NDCF pursuant to the accretive nature of the Acquisition Transactions are set out below. The incremental NDCF accretion is based on various assumptions described below and further, will depend on the Issue Price per Unit as set forth in the sensitivity analysis below:

Particulars	Financial Year 2023 (₹ in millions, except per unit data)
<b>Reported Net Operating Income</b>	<b>6,859</b>
Income Support <sup>(1)</sup>	1,136
Debt Financing, Working Capital, and Others <sup>(2)</sup>	2,617
Interest Cost on External Debt <sup>(3)</sup>	(3,604)
Capital Expenditure <sup>(4)</sup>	(1,144)
<b>NDCF</b>	<b>5,864</b>
<b>NDCF – Brookfield REIT’s share<sup>(5)</sup></b>	<b>2,932</b>
REIT Management Fees	(29)
<b>Adjusted Brookfield REIT’s NDCF</b>	<b>2,902</b>
Number of Units Issued (in millions) <sup>(6)</sup>	124
Per Unit	₹24
Financial Year 2023 Brookfield REIT’s NDCF per Unit	₹20
Brookfield REIT’s NDCF per Unit (Pro-forma) <sup>(7)</sup>	₹21

**Notes:**

- (1) Amount of income support received, assuming that the G1 Income Support Agreement was in place during the Financial Year 2023.
- (2) Comprises: (a) working capital; (b) general and administrative expenses, adjusted for one-time items, primarily income tax refunds received and statutory payments and refunds; (c) net debt drawdown towards capital expenditure and working capital, adjusted for amortization as per the post-acquisition financing arrangement.
- (3) Interest cost on post-acquisition debt at a rate of 8.5% p.a.p.m.
- (4) Capital expenditure for development and asset upgrades.
- (5) Computed at 50% stake.
- (6) Assuming institutional placement at a price of ₹275 per unit.
- (7) Accretion of 4.5%

		% NDCF Accretion				
		Issue Price per Unit				
Institutional Placement <sup>(1)</sup> (₹ million)	Pro-forma LTV (%) <sup>(2)</sup>	₹275	₹280	₹285	₹290	₹295
34,000	33.6%	4.5%	5.0%	5.5%	5.9%	6.4%
32,250	34.9%	4.3%	4.8%	5.3%	5.7%	6.2%
29,750	36.6%	4.1%	4.6%	5.0%	5.4%	5.9%
27,250	38.4%	3.9%	4.3%	4.7%	5.1%	5.5%

*Notes:*

- (1) In addition to the institutional placement, Brookfield REIT may also consider various other forms of fund raising, including preferential allotment of Units, for cash or otherwise, and rights offering of Units, in accordance with applicable law.
- (2) Accounting for SPV level shareholder debt to be held by GIC affiliates, which will be equal and pari-passu to NCDs to be held by the Brookfield REIT, the pro-forma LTV will be 36.7%, 37.4%, 38.2%, 39.1% in the four scenarios read top-down.

The institutional placement amounts, pro forma LTV and issue prices per unit in the above table are indicative and there can be no assurance that the Issue will be undertaken or that the actual issue price of the Units in the Issue will be within this range or that the subscription of the NCDs will be completed at all as illustrated in table above. See also “*Risk Factors – Risks Related to Our Business and Industry – We are in the process of acquiring 50% shareholding in the Target SPVs (pursuant to definitive acquisition agreements), which may not be completed in a timely manner or at all and any failure to realize the anticipated benefits of the Acquisition Transactions may adversely affect us*” and “*Risk Factors – Risks Related to Our Business and Industry – The pro forma financial and other information included in this Preliminary Placement Document is prepared for illustrative purposes only. Our actual results may be materially different from the actual outcome of the event or transaction as presented in the pro forma financial and other information.*”

**Income Support for Candor Techspace G1**

Income support by Brookfield provides high cash flow visibility at 100% Effective Economic Occupancy for the term of the G1 Income Support Agreement. Pursuant to the G1 Income Support Agreement, MIOP has agreed to provide funds in the form of Income Support to G1 SPV from the commencement date as defined under the G1 Income Support Agreement until the expiry of two years from such date, for an amount not exceeding ₹2,000 million. The specified rate for the payment of Income Support will comprise the warm shell rent of the vacancies identified from time to time and the share of the fixed maintenance fees of such vacancies payable by tenants and licensees for the common area operations and maintenance of Candor Techspace G1. See also “*The Acquisition Transactions – Key Terms of G1 Acquisition Agreements – G1 Income Support Agreement*”. Set forth below are the details of the eligible area under income support:

**ELIGIBLE AREA UNDER INCOME SUPPORT<sup>(1)</sup>**



MAXIMUM AMOUNT	INCOME SUPPORT RENT	TENURE	PAYMENT FREQUENCY
Rs 2,000 Million	Rs 80 PSF/Month <sup>(2)</sup>	2 Years	Quarterly

*Notes:*

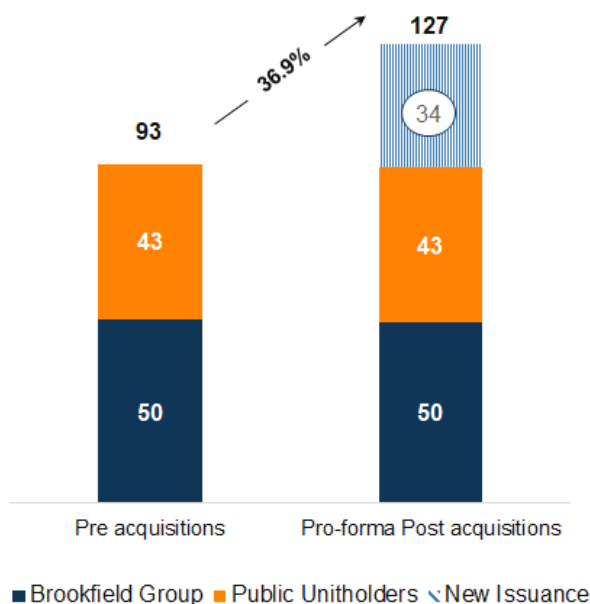
- (1) List of eligible areas to be updated on closing of the acquisition. Income Support will be provided until such areas become rent generating subject to maximum amount and maximum tenure.
- (2) Additionally, ₹12 psf/month as share of fixed maintenance fees will be paid. Both rates will escalate by 5% from April 1, 2024.

**Capital Structure post the Acquisition Transactions**

The Acquisition Transactions are proposed to be financed by a proposed equity fund raise of ₹34 billion which will increase our market capitalization by 36.9% (subject to the assumptions set forth in the table below). Set forth below are the details of our market capitalization prior to the Acquisition Transactions and after the completion of the Acquisition Transactions:



**MARKET CAPITALIZATION OF BIRET<sup>(1,2)</sup>**  
Rs Billion



Notes:

- (1) Pre-acquisition market capitalization is basis Unit price of ₹275.
- (2) Assuming a proposed Issue of up to 124 million Units at an indicative price of ₹275 per Unit, aggregating to ₹34,000 million.

Further, we have received approvals to refinance a portion of the Target Assets' existing indebtedness. Please see below the details of our indicative debt summary after the completion of the Acquisition Transactions:

Indicative debt summary <sup>(1)</sup>	Amount (₹ in billions, except LTV)
In-place Net Debt at Current Portfolio	53
External Net Debt at Downtown Powai SPV	25
External Net Debt at G1 SPV	17
<b>Expanded Portfolio</b>	<b>95</b>
Pro-forma Consolidated GAV	283
Pro-forma LTV <sup>(2)</sup>	33.6%

Notes:

- (1) Assuming a proposed Issue of up to 124 million Units at an indicative price of ₹275 per Unit, aggregating to ₹34,000 million. See also "Risk Factors – Risks Related to Our Business and Industry – The pro forma financial and other information included in this Preliminary Placement Document is prepared for illustrative purposes only. Our actual results may be materially different from the actual outcome of the event or transaction as presented in the pro forma financial and other information."
- (2) Accounting for SPV level shareholder debt to be held by GIC affiliates (₹8,800 million) which will be equal and pari-passu to the NCDs to be held by the Brookfield REIT, the pro-forma LTV will be 36.7%.

Indicative terms of the refinanced debt <sup>(1)</sup>	
Particulars	Terms
Amount	₹43 billion (tranche 1) and ₹4 billion (tranche 2)
Rate of Interest <sup>(2)</sup>	8.5% p.a.p.m.
Tenor	12 years
Amortization Load	Interest only period: 2 years Amortization in first 5 years: 12.5%

Notes:

- (1) The Target Assets propose to procure the debt from third party lenders and are in the process of obtaining such debt subject to agreement on definitive documentation. See also "Risk Factors – Risks Related to Our Business and Industry – The pro forma financial and other information included in this Preliminary Placement Document is prepared for illustrative purposes only. Our actual results may be materially different from the actual outcome of the event or transaction as presented in the pro forma financial and other information." on page 44.
- (2) Benchmarked to repo-rate.

## OVERVIEW OF THE TARGET ASSETS

### Downtown Powai



### *Overview*

Downtown Powai is a prime office and high-street retail portfolio and comprises nine commercial properties located in Hiranandani Gardens, Mumbai. It forms part of a larger township at Powai Business District together with land adjoining each of the buildings, along with amenities and rights to access roads on a non-exclusive basis set up over a total area of 20.0 acres. It is spread across three clusters totalling 2.7 msf of Completed Area and 0.1 msf of Future Development Potential. As of March 31, 2023, it has an 89.3% committed occupancy, a 3.8 years WALE and has witnessed significant growth in average leasing rent. Downtown Powai also has a marquee tenancy profile comprising major global financial institutions.

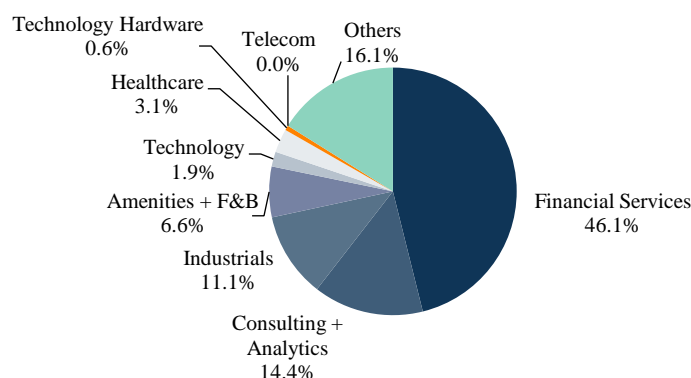
The Powai Business District offers a comprehensive and holistic ecosystem in the Mumbai metropolitan region and has well-planned, premium infrastructure. This live-work-play ecosystem has grown to become a key differentiating factor for the Powai business district and has helped it garner strong occupier interest compared to other nearby competing micro markets. The location provides connectivity to the major catchments of the city and has convenient public transportation infrastructure, pursuant to which Downtown Powai has the advantage of easy accessibility of talent from both Eastern and Western suburbs of Mumbai for office occupiers. Downtown Powai

will further benefit from improved intra-city transportation links resulting from the ongoing metro construction in both East-West and North-South corridors. They offer premium infrastructure to tenants and provide a wide variety of amenities such as curated landscapes, multi cuisine restaurants, food carts, vending machines, electric bike services, and medical facilities (including ambulance services), among others. Set forth below are certain key performance indicators for Downtown Powai:

Key Performance Indicators	
Asset SPV	Kairos Property Managers Private Limited
Land Size (Acres)	20.0
Land Ownership	Freehold
Leasable Area (msf)	2.7
Completed Area (msf)	2.7
Future Development Potential (msf)	0.1
Completed buildings	9
Leased Area (msf)	2.4
Committed Occupancy (%)	89.3%
WALE (years)	3.8
In-place rent (₹ psf)	163
Number of office tenants	52
Market Value (₹ in millions)	69,000
Operating GAV (%)	97.8%

### Tenancy Profile

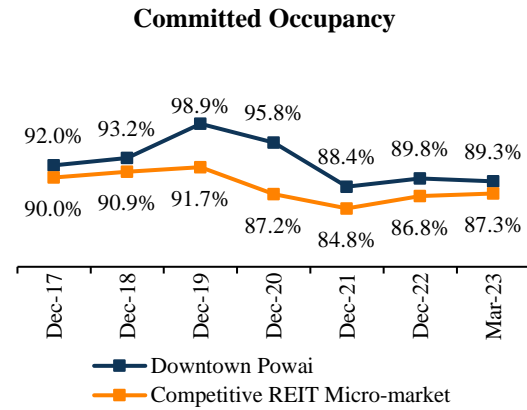
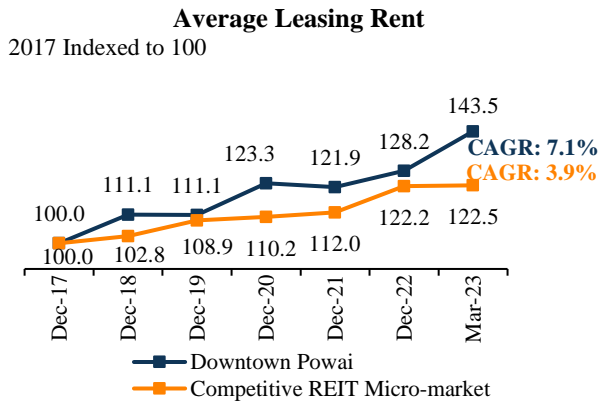
Downtown Powai has a diverse base of tenants comprising multinational corporations representing a broad array of industries, including financial services, consulting, and industrials. Deloitte is one of the largest tenants at Downtown Powai by Gross Contracted Rentals. The top 10 tenants at Downtown Powai accounted for 60.9% of its Gross Contracted Rentals as of March 31, 2023. The chart below sets forth details of area leased by trade sectors represented in the office park:



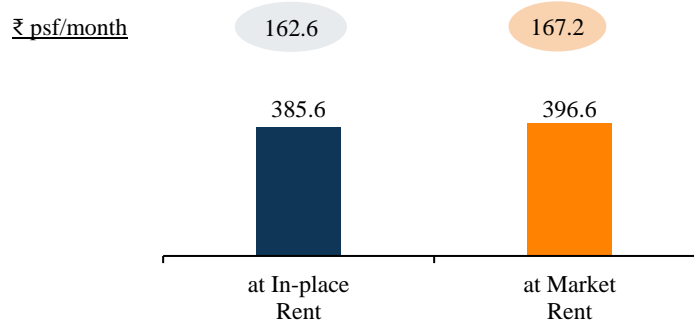
### Rent and Occupancy Trends

There has been a significant growth in average Leasing Rent at Downtown Powai over the periods presented on account of the high quality, upgrade initiatives undertaken, integrated office campus experience and superior infrastructure.

The charts below set out the increase in in-place rent and committed occupancy levels at Downtown Powai:

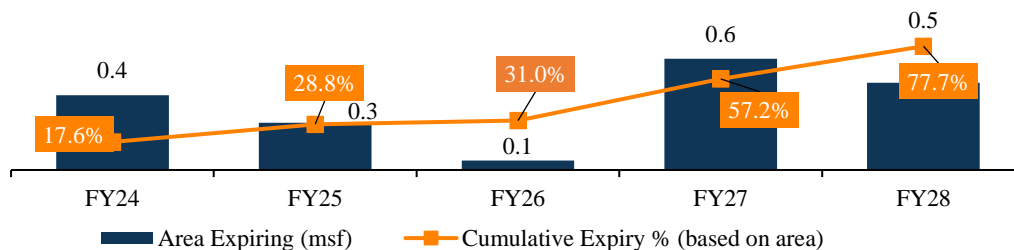


**Warm Shell Rental (₹ million / month)**



**Lease Expiry Profile**

The WALE of Downtown Powai is 3.8 years, with 1.8 msf (i.e., 77.7%) of the leases expiring between April 1, 2024 and March 31, 2028, as illustrated below:



The following table sets out information relating to cumulative expiration of Gross Contracted Rentals at Downtown Powai and mark to market potential for the periods indicated:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	17.2%	29.4%	32.4%	58.3%	78.9%
In-place rent at expiration (₹ psf/month)	149	181	186	176	195
Mark to market potential <sup>(1)</sup>	17.4%	1.0%	2.5%	13.6%	7.0%

Note: In-place rent at expiration is exclusive of retail and amenity area.

(1) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

**Upgrade / Placemaking Initiatives**

Brookfield has undertaken initiatives to enhance the value of Downtown Powai and provide its tenants a superior experience, such as:

- repurposed office areas to prime high street retail areas to achieve 88% rental re-rating;

- created a premium F&B retail space in Delphi which anchors reputed F&B brands;
- upgraded lobbies in Delphi, Ventura A and Fairmont to create a distinguished lobby experience;
- upgraded podium level landscaping in Winchester, Fairmont and Spectra-Prudential.
- created modern green open sit-outs and people-scaped spaces for community engagement and collaboration;
- upgraded landscaping in Winchester and completed the pedestrian gateway to connect Winchester and Fairmont with Kensington to provide easy access to upgraded spaces and amenities for all occupiers;
- provided a modern food court with multi-cuisine restaurant in Winchester; and
- upgraded canopy in Ventura A and Fairmont.

The following initiatives are being undertaken to enhance the value of Downtown Powai, such as:

- addition of new area by converting parking/terrace areas to retail and office areas with a planned capital expenditure of ₹440 million; and
- upgradation of lobby, canopy and lifts in Winchester.

### ***ESG Initiatives***

Brookfield has undertaken various ESG initiatives leading to a significant transformation of Downtown Powai, such as:

- transitioned to 100% renewable power for all common areas;
- 100% transition to LED lighting for common areas;
- installed electronic vehicle charging stations;
- launched electric bus service for emission free transit; and
- indoor air quality monitoring sensors installed in common areas.

### **Candor Techspace G1**





### Overview

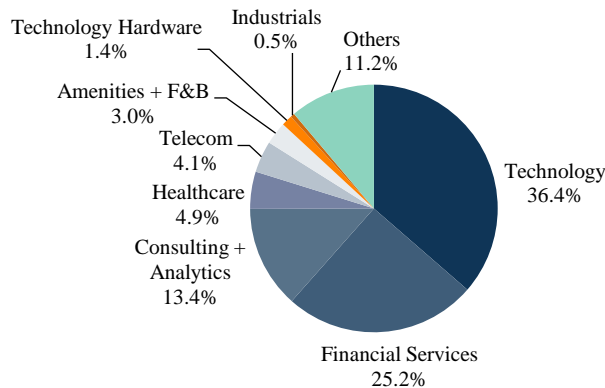
Candor Techspace G1, Gurugram, an IGBC Platinum rated Grade A IT/ITES SEZ, is one of the largest high quality campus office developments in Gurugram, spread across an area of 25.2 acres. It comprises 12 completed buildings totalling 3.7 msf of Completed Area with 100% Effective Economic Occupancy and a 6.7 year WALE as of March 31, 2023. Located near the national highway in the Gurugram South micro-market, a prime and preferred location for occupiers, the property has a diverse base of 19 office tenants comprising multinational corporations representing a broad array of industries, including technology and financial services. The office park hosts a wide range of amenities comprising a food court, a day care centre, fire safety facilities and medical facilities (including ambulance services and a clinic). Consistent with Brookfield's focus on environmental sustainability, several energy efficiency initiatives have been undertaken within the office park such as the installation of a 469 KWp rooftop solar power plant, a 66 KV sub-station and LED lighting, which resulted in Candor Techspace G1 receiving several awards including the National 5S Excellence Award - Gold Rating by the Confederation of Indian Industry. Set forth below are certain key performance indicators for Candor Techspace G1:

Key Performance Indicators	
Asset SPV	Candor Gurgaon One Realty Projects Private Limited
Land Size (Acres)	25.2
Land Ownership	Freehold
Leasable Area (msf)	3.8
<i>Completed Area (msf)</i>	3.7
<i>Future Development Potential (msf)</i>	0.1
Completed buildings	12
Leased Area (msf)	2.8
Committed Occupancy (%)	75.4%
Effective Economic Occupancy (%)	100%
WALE (years)	6.7
In-place rent (₹ psf)	75
Number of office tenants	19
Market Value (₹ in millions)	50,164
Operating GAV (%)	98.8%

### Tenancy Profile

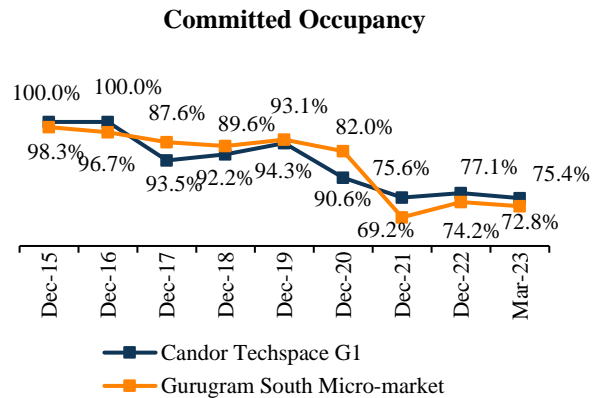
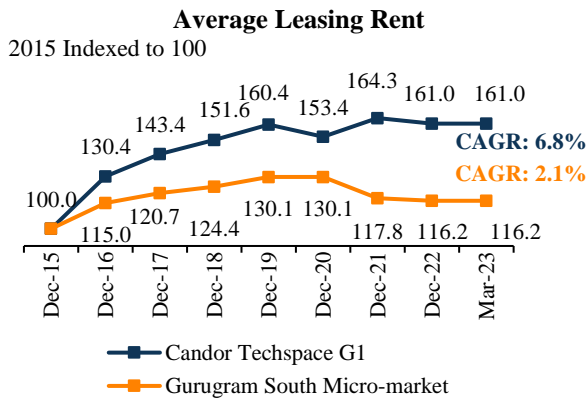
The largest tenants at Candor Techspace G1, by Gross Contracted Rentals as of March 31, 2023, include Capgemini, Evalueserve and Fidelity. The top 10 tenants at Candor Techspace G1 accounted for 79.3% of its Gross Contracted Rentals.

Candor Techspace G1 has a diverse base of 19 office tenants comprising multinational corporations representing a broad array of industries, including technology, financial services and consulting/analytics. The chart below sets forth details of area leased by trade sectors represented in the office park:

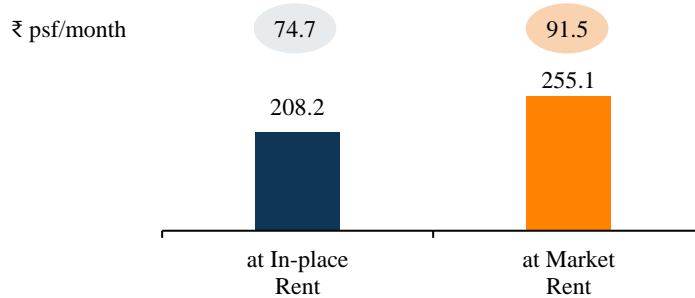


### Rent and Occupancy Trends

There has been a significant growth in average Leasing Rent at Candor Techspace G1 over the periods presented. The charts below set out the increase in in-place rent and committed occupancy levels at Candor Techspace G1:



### Warm Shell Rental (₹ million / month)

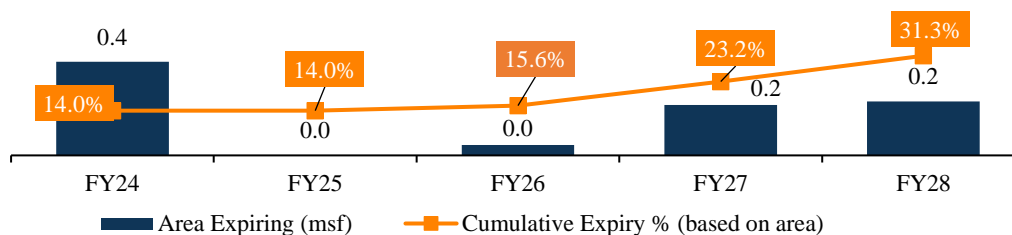


### G1 Income Support Agreement

Pursuant to the G1 Income Support Agreement, MIOP has agreed to provide funds in the form of Income Support to G1 SPV from the commencement date as defined under the G1 Income Support Agreement until the expiry of two years from such date, for an amount not exceeding ₹2,000 million. Further, the specified rate for the payment of Income Support will comprise the warm shell rent of the vacancies identified from time to time and the share of the fixed maintenance fees of such vacancies payable by tenants and licensees for the common area operations and maintenance of the G1 SPV's assets. From April 1, 2024 until the end of the Income Support Period, the specified rate will comprise the warm shell rent of such vacancies and the share of the fixed maintenance fees of such vacancies payable by tenants and licensees for the common area operations and maintenance of Candor Techspace G1.

### Lease Expiry Profile

The WALE of Candor Techspace G1 is 6.7 years, with 0.9 msf (i.e., 31.3%) of the leases expiring, based on area, between April 1, 2024 and March 31, 2028, as illustrated below:



The following table sets out information relating to cumulative expiration of Gross Contracted Rentals at Candor Techspace G1 and mark to market potential for the periods indicated:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	14.2%	14.2%	14.2%	22.8%	31.4%
In-place rent at expiration (₹ psf/month)	82	-	-	97	99
Mark to market potential <sup>(1)</sup>	16.2%	0.0%	0.0%	12.2%	15.3%

Note: In-place rent at expiration and mark to market potential have been computed for expiring office leases only.

(1) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

### Upgrade / Placemaking Initiatives

Brookfield has undertaken initiatives to enhance the value of Candor Techspace G1 and provide its tenants a superior experience, such as:

- installed a 66 KV sub-station in the office park, which has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for their tenants;
- undertaken renovations at the office park such as refurbishing the food court, landscaping and lobby improvements to enhance the overall experience;
- helped ease traffic congestion issues by streamlining the entry and exit from the campus by using radio frequency identification based parking system and also worked with government agencies to manage the traffic and maintain the road outside the campus;
- installed rooftop solar panels and rain water harvesting pits to reduce carbon footprint;
- installed and commissioned supervisory control and data acquisition systems in certain towers to improve the operations and monitoring of the various processes; and
- installed new electrostatic precipitator filters for air handling units in various towers to improve their efficiency.

Additionally, Brookfield is undertaking certain initiatives to enhance the value of Candor Techspace G1, such as upgrading the amenity block and club house, including the gymnasium, to enhance the amenities available to the tenants.

### ESG Initiatives

Brookfield has undertaken various ESG initiatives leading to a significant transformation of Candor Techspace G1, such as:

- invested in 66 KV power substation to minimize diesel usage;
- installed 469 kWp solar rooftop power plant;
- organic waste composted on site;



- onsite re-use of treated water;
- indoor air quality upgrades including electrostatic filters for air handling units;
- zero single use plastic campus; and
- installed charging stations for electronic vehicles.

## OUR CURRENT PORTFOLIO

### Overview

#### *Current Portfolio*

We are India’s first institutionally managed public commercial real estate vehicle. Sponsored by an affiliate of Brookfield Corporation, whose asset management business is one of the world’s largest alternative asset managers with approximately US\$825 billion in assets under management, as of March 31, 2023. Our goal is to be the leading owner of high-quality income producing commercial real estate assets in key gateway Indian markets, which have significant barriers to entry.

Our Current Portfolio comprises five large campus-format office parks, which we believe are “business-critical” to our occupiers and are located in some of India’s key gateway markets - Mumbai, Gurugram, Noida and Kolkata. Our Current Portfolio is significantly complete with 14.3 msf of Completed Area (which represents 93.8% of its GAV as of March 31, 2023), 0.6 msf of Under Construction Area and 3.9 msf of Future Development Potential, primarily in Candor Techspace K1, Candor Techspace N1, Candor Techspace G2 and Candor Techspace N2, totalling 18.7 msf of Total Leasable Area.



Candor Techspace, Sector 21, Gurugram (Candor Techspace G2)



Candor Techspace, Sector 135, Noida (Candor Techspace N2)



Candor Techspace, Newtown, Kolkata (Candor Techspace K1)



Kensington, Powai Business District, Mumbai (Kensington)



Candor Techspace, Sector 62, Noida (Candor Techspace N1)

Our assets are well differentiated in their respective markets due to their campus style offering, strategic location, extensive connectivity, high quality specifications, modern amenities and our focus on sustainability initiatives.

The status of these office parks has further been enhanced through our institutional ownership, our Manager's industry-leading asset management practices and a variety of placemaking initiatives, which have led to superior tenant experiences. These competitive strengths have translated into the office parks outperforming in their micro-markets with a marquee tenant roster, high and consistent occupancy levels, strong renewal and expansion history with existing tenants, and outsized rental growth.

### Key Information of the Current Portfolio

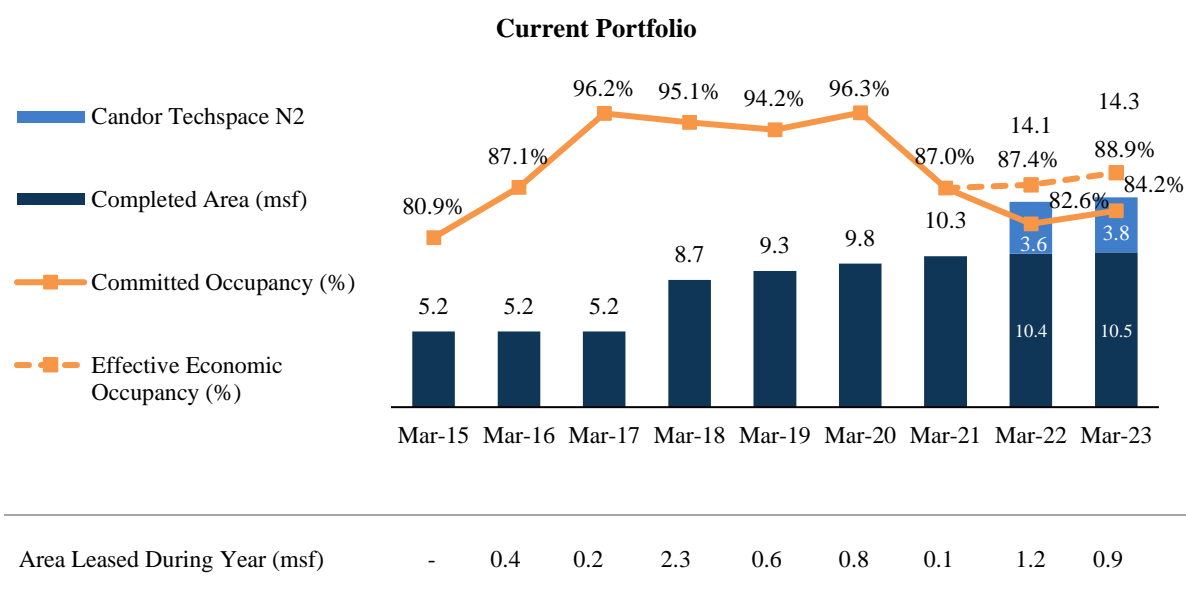
The following table sets forth certain operational information about the Current Portfolio, as of March 31, 2023 (except where otherwise indicated):

Key Performance Indicators	Current Portfolio
Leasable Area (msf)	18.7
Completed Area (msf)	14.3
Under Construction (msf)	0.6
Future Development Potential (msf)	3.9
Committed Occupancy (%)	84.2%
Effective Economic Occupancy (%)	88.9%
WALE (years)	7.9
Completed buildings	47
Number of office tenants	75
Market Value (₹ in millions)	163,729
Market Value Completed (%)	93.8%

### Operating progress of the office parks under our Manager

The office parks have made significant operating progress under the ownership and management of the Brookfield Group. Our Manager also maintained high levels of Committed Occupancy and a healthy growth in per square foot rents while adding new development.

We have a demonstrated track record of leasing space to new as well as existing tenants and have leased out an aggregate of 6.4 msf in the Current Portfolio in the period between April 1, 2015 and March 31, 2023. The following table sets forth details of the area leased for the specified periods.

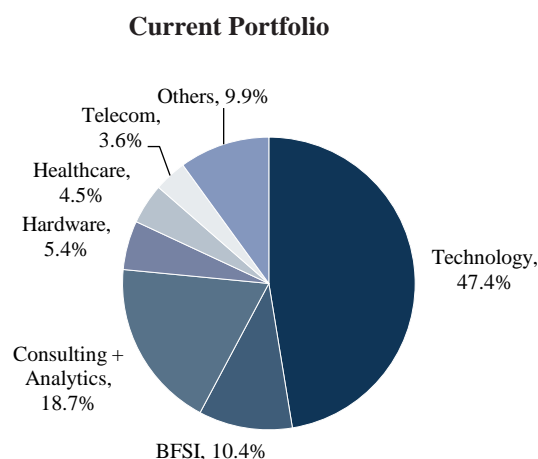


Note: The information above does not include the area that was already leased at Kensington when we started managing the property. For Candor Techspace N2, area leased during the entire FY 2022 has been included.

### Diversified Tenancy Profile

The Current Portfolio houses a diverse base of marquee tenants with 78.0% of Gross Contracted Rentals contracted with multi-national corporations. These marquee tenants represent a broad array of industries, and a majority of these tenants have been occupiers in our portfolio for many years.

The chart below provides a breakdown of area leased by trade sectors represented in the Current Portfolio:



The following table sets forth details of the top 10 tenants in terms of Gross Contracted Rentals of the Current Portfolio:

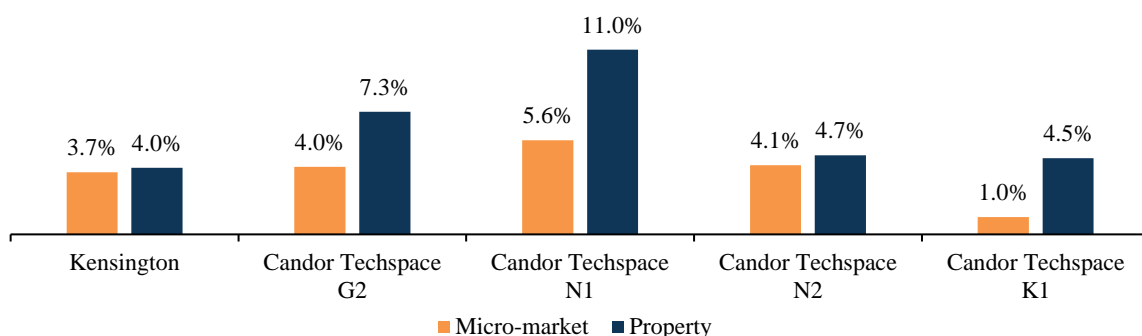
Tenant	Tenant Sector	No. of parks in Current Portfolio	% of Gross Contracted Rentals	% of area leased
Accenture	Consulting	3	16.3%	14.1%
TCS	Technology	3	14.8%	13.9%
Cognizant	Technology	3	10.3%	12.6%
TLG (Sapient)	Technology	2	6.0%	5.0%
RBS	Financial Services	1	4.9%	3.6%
Samsung	Hardware	1	2.5%	3.1%
Genpact	Technology	2	2.2%	2.8%
An international bank	Financial Services	1	2.2%	3.3%
Amdocs	Technology	1	2.1%	1.7%
An international telecommunications company	Telecommunications	1	2.0%	2.3%
<b>Total for 10 largest tenants by gross contracted rentals</b>			<b>63.4%</b>	<b>62.4%</b>

### *Rent and Occupancy Trends*

Leasing Rents at the Current Portfolio have grown at a faster rate than comparable non-strata properties in their micro-markets. The outperformance has been augmented by the scale of the assets (which helps attract large marquee tenants), extensive amenities, their modern facilities and infrastructure, the integrated campus experience and proactive asset management initiatives.

The following chart sets forth the average Leasing Rent CAGR achieved by the properties, as compared to their micro-markets:

**Average Leasing Rent CAGR<sup>(1)</sup>**

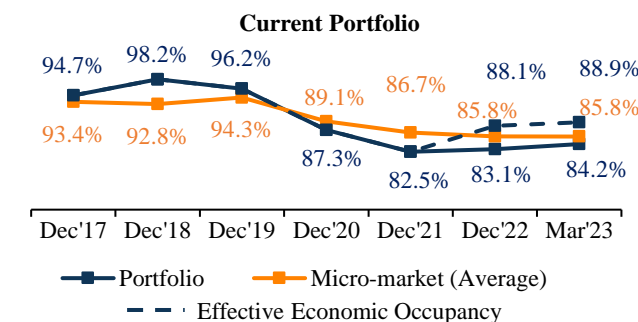


Note:

(1) Source: Industry Report. The CAGRs for all properties are for the period between December 31, 2015 and March 31, 2023, except Kensington, which is between December 31, 2017 and March 31, 2023.

The following chart sets forth the Committed Occupancy levels achieved by the Current Portfolio, as compared to the non-strata properties in their micro-markets over the specified dates:

**Committed Occupancy<sup>(1)</sup>**



Note:

(1) The occupancy for the micro-markets is as per the Industry Report, weighted on Leasable Area of the properties as of the dates indicated.

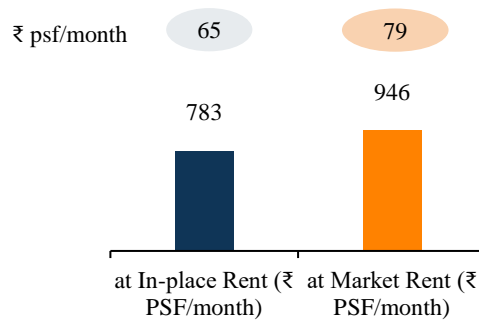
**New Leases / Renewals**

In respect of new leasing and renewals during the Financial Year 2023, the average rent for office areas (weighted by area) was ₹95 psf/month, the average term for office areas (weighted by area) was 13.1 years, the re-leasing spread on new leasing for office areas (weighted by rent) was 18.1% and there were ongoing leasing discussions regarding 1.1 msf of space. We achieved 71.8% renewal rate in the Financial Year 2023.

**Mark to Market Potential**

As of March 31, 2023, the average in-place rent across the Current Portfolio was ₹65 psf/month compared to an estimated average market rent of ₹79 psf/month according to the Industry Report, resulting in a substantial mark to market potential of 20.7%.

**Warm Shell Rental (₹ million / month)**



*Note:*

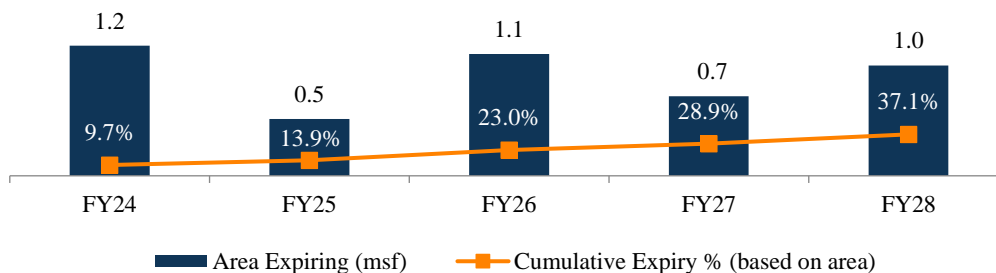
- (1) Mark to market potential is calculated as a percentage of the difference between the estimated market rent according to the Industry Report and the in-place rent for a specified period divided by the in-place rent for that specified period.
- (2) Market rent calculated as average rent as per the Industry Report for each micro-market, weighed on area leased as of March 31, 2023.

We have been able to increase rents at our office parks and achieve significant re-leasing and renewal spreads in several cases, including:

- at Kensington, we renewed 881,898 square feet to TCS at a renewal spread of 35% during Q4 FY23
- at Candor Techspace N2, we renewed 123,124 square feet to a global technology company, at a renewal spread of 12%, during Q3 FY 2021;
- at Kensington, we re-leased 72,207 square feet to XPO India, a company in the global supply chains management solutions sector, at a re-leasing spread of 69%, during Q3 FY 2022;
- at Kensington, we re-leased 55,905 square feet to Ergo, an insurance provider, at a re-leasing spread of 48%, during Q4 FY 2022;
- at Candor Techspace N1, we renewed 22,935 square feet to a major multinational bank, at a renewal spread of 27%, during Q4 FY 2022; and
- at Kensington, we re-leased 74,331 square feet to GE Oil & Gas, an international petroleum company, at a re-leasing spread of 113%, during H1 FY 2023.

**Lease Expiry Profile**

The WALE of the Current Portfolio is 7.9 years, with 37.1% of leases expiring, based on leased area, in the period between March 31, 2023 and March 31, 2028 as shown in the graph below:



*Note: The bars represent leases expiring, based on leased area, during the period, in million square feet.*

The following table sets out information relating to cumulative expiration of Gross Contracted Rentals in the Current Portfolio and mark to market potential for the periods indicated, at expiry:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	10.4%	14.3%	21.6%	26.3%	34.9%
In-place rent at expiration (₹ psf/month)	70	67	60	60	83
Mark to market potential <sup>(1)</sup>	19.3%	12.7%	5.7%	(0.5%)	7.0%

Note: In-place rent at expiration and mark to market potential have been computed for expiring office leases only.

(1) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

## OUR CURRENT PORTFOLIO

### Kensington, Powai, Mumbai



#### Property Description

Kensington is a 1.6 msf Grade-A office SEZ complex and is uniquely positioned as the only private IT/ITeS SEZ in the island city of Mumbai (Source: C&W Report). The office park is situated within Hiranandani Gardens, Powai, a modern township comprising residential towers, office complexes, hospitals, schools and high street retail. This ‘live-work-play’ ecosystem has grown to become a key differentiating factor for our office park, driven by an increasing focus by corporate occupiers on lifestyle solutions for their employees.

Kensington is located in Powai, which is one of the most established commercial precincts in Mumbai. Demand for office space in this micro-market has significantly increased over the last few years due to larger properties, improving infrastructure, availability of quality residences and excellent connectivity to other parts of Mumbai. The office park will further benefit through improved intra-city transportation links resulting from the ongoing metro construction in both east-west and north-south corridors.

The Brookfield Group owns the Powai Business District, which has ownership interests in a cluster of 14 buildings in the township. Our Manager has undertaken upgrades in adjoining commercial complexes which have augmented the market positioning of Kensington. The pedestrian gateway connecting Kensington with the commercial complexes has ensured easy access to the multi-cuisine food hall, rejuvenating green areas, open sit-outs and amenities to provide a holistic ecosystem for the occupiers. Further, Kensington operates with green power sourced through the Renewable Energy certificate for its common areas. Select operational information on Kensington has been summarized in the table below:

Key Asset Information	
Asset SPV	Festus Properties Private Limited
Land Size (Acres)	9.0
Land Ownership	Freehold/ Leasehold*
Leasable Area (msf)	1.6
Completed Area (msf)	1.6
Completed buildings	1
Area Leased (msf)	1.4

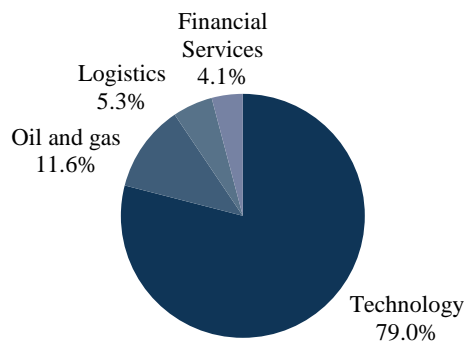
Key Asset Information	
Committed Occupancy (%)	86.9%
WALE (years)	11.5
Number of office tenants	7
Market Value (₹ in millions)	24,288

\*The applicable leasehold rights of the land parcel are valid for a period of 999 years

### Tenancy Profile

The largest tenants at Kensington, by Gross Contracted Rentals, include Tata Consultancy Services, GE Oil & Gas. Kensington's top 10 tenants accounted for approximately 100% of its Gross Contracted Rentals.

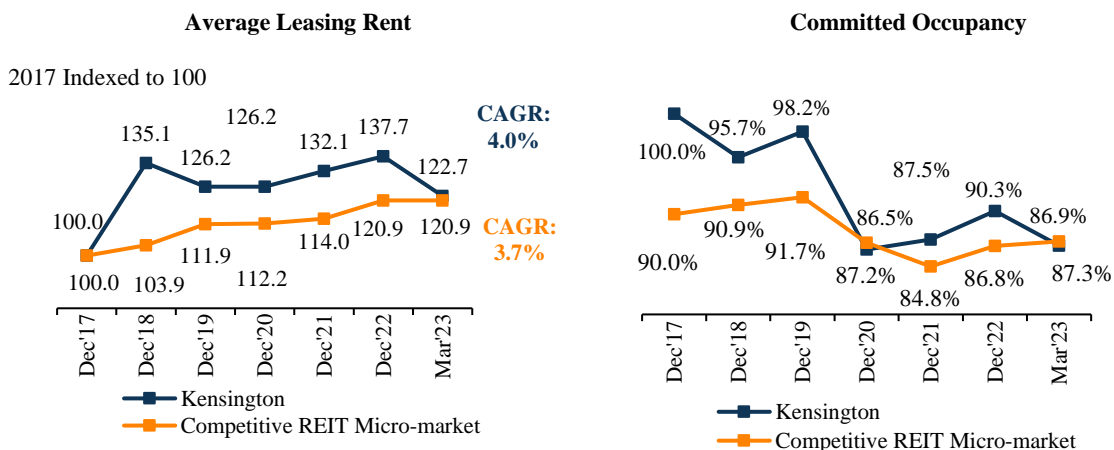
There are seven office tenants at Kensington, primarily from the technology, and oil and gas sectors. The chart below sets forth details of area leased by trade sectors represented at the office park:



### Rent and Occupancy Trends

Kensington's scale and leading infrastructure, its proximity to residential areas and other social infrastructure coupled with its extensive connectivity, have enabled it to maintain significantly high levels of Occupancy and grow its average Leasing Rent.

The following charts set forth the increase in average Leasing Rent achieved at Kensington and rents at other similar assets in the competitive micro-market (comprising similar buildings in the micro-markets of Andheri and Powai, Malad-Goregaon and the eastern suburbs) as well as details of its Committed Occupancy levels:

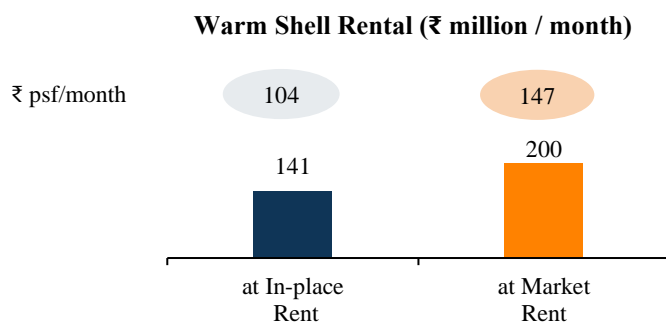


Note: The average Leasing Rent for Kensington represents the average rent for the gross leasing for the 12-month period preceding the dates indicated except for March 2023 which is for the preceding three-month period. The rent for the micro-market is the average rent as of the dates indicated and along with the occupancy rates, are as per the Industry Report.

### Mark to Market Potential

As of March 31, 2023, the average in-place rent at Kensington was ₹104 psf/month compared to an estimated market rent of ₹147 psf/month according to the Industry Report, resulting in high mark to market potential of 41.3%, as illustrated in the chart below.

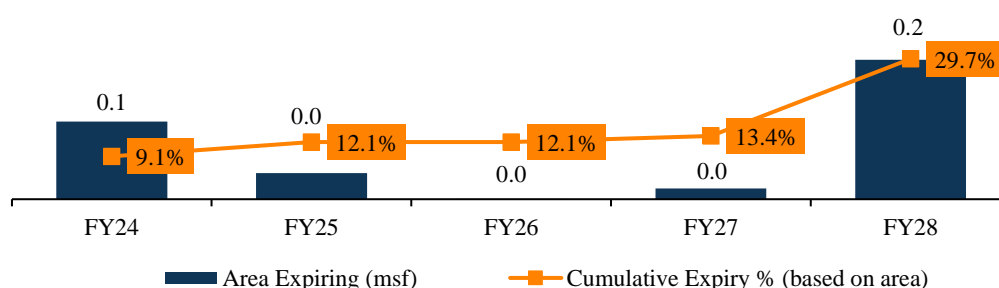




Note: Market rent calculated as per the Industry Report, as of March 31, 2023.

### Lease Expiry Profile

The WALE of Kensington is 11.5 years, with 0.4 msf (i.e., 29.7%) of the leases expiring, based on leased area, between March 31, 2023 and March 31, 2028 as illustrated below:



Note: The bars represent leases expiring, based on leased area, during the period, in million square feet.

The following table sets out information relating to cumulative expiration of Gross Contracted Rentals in Kensington and mark to market potential for the periods indicated, at expiry:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	12.2%	16.5%	16.6%	18.2%	37.6%
In-place rent at expiration (₹ psf/month)	140	152	-	152	149
Mark to market potential <sup>(1)</sup>	9.8%	5.7%	0.0%	15.5%	22.8%

Note: In-place rent at expiration and mark to market potential have been computed for expiring office leases only.

(1) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

### Upgrade / Placemaking Initiatives

We are planning to undertake certain initiatives which we believe will enhance the value of Kensington and provide our tenants with a superior experience, such as:

- Upgrading the lobby and canopy of the property; and
- Enhancing the landscaping of the property at the podium level.

## Candor Techspace G2, Sector 21, Gurugram



### ***Property Description***

Spread over 28.5 acres, Candor Techspace G2 is the largest office SEZ in Gurugram in terms of leasable area (*Source: C&W Report*). The property is a large, Grade-A, multi-tenanted office campus and is located in the Gurugram North micro-market, the central business district of Gurugram with other landmark office properties such as DLF Cybercity. The office park has been an established location for over 15 years and is strategically located in close proximity to the Delhi Airport (an approximately 10 km drive) and houses superior social infrastructure comprising leading malls and luxury hotels. It also benefits from excellent access and connectivity through two major arterial roads, which is further expected to improve with the planned metro line and the Delhi–Alwar Regional Rapid Transit System which is expected to be within walking distance from the office park.

Candor Techspace G2 is built to institutional specifications in a campus-style format and has 13 operational buildings with 3.9 msf of Completed Area and 0.1 msf of Future Development Potential. It offers an integrated business ecosystem to its tenants, with a variety of amenities such as a food court, cafeteria, a gymnasium, health club, convenience and retail stores, day care centres, multi-level car park, medical facilities (including a pharmacy, dental clinic, ambulance services and a well-being centre with round-the-clock primary care), shuttle transport and concierge services, and ATMs catering to the employees working at the office park. It also provides infrastructure such as terrace gardens, landscaped public areas and has five approved entry and exit points (four of which are operational) implemented in order to reduce traffic bottlenecks. Consistent with our focus on environmental sustainability, several energy efficiency initiatives have been undertaken within the office park such as, a 334 KWp solar power plant, a 66 KV sub-station and LED lighting. We have also implemented waste management systems at the office park. These sustainability initiatives have led to Candor Techspace G2 being awarded IGBC Platinum Certification and Five Star Occupational Health and Safety Rating from British Safety Council.

The table below sets out a summary of select operational information about Candor Techspace G2:

<b>Key Asset Information</b>	
Asset SPV	Candor Kolkata One Hi-Tech Structures Private Limited
Land Size (Acres)	28.5 <sup>(1)</sup>
Land Ownership	Joint Development Agreement with GIL <sup>(2)</sup>
Leasable Area (msf)	4.0
<i>Completed Area (msf)</i>	3.9
<i>Future Development Potential (msf)</i>	0.1
Completed buildings	13

Key Asset Information	
Area Leased (msf)	3.3
Committed Occupancy (%)	84.5%
WALE (years)	7.7
Number of office tenants	15
Market Value (₹ in millions)	45,288

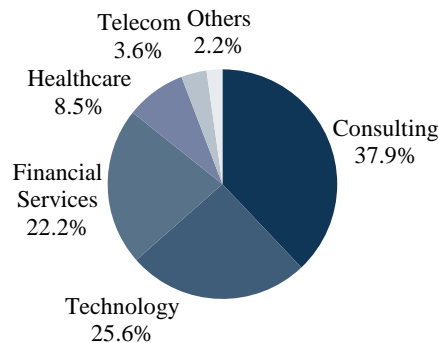
**Notes:**

- (1) Includes 27.7 acres of land which is a SEZ, and 0.9 acres of land is currently under the process of being notified as a SEZ.
- (2) Candor Gurgaon Two Developers & Projects Private Limited (now merged with Candor Kolkata) has entered into the G2 Co-Development Agreement with GIL in relation to Candor Techspace G2. Pursuant to the G2 Co-Development Agreement, we are entitled to receive 72% of the gross rentals and deposits from tenants arising out of the lease of area in Candor Techspace G2, while GIL is entitled to receive the remaining 28% and tenants are billed as per such agreed arrangement.

**Tenancy Profile**

The largest tenants at Candor Techspace G2, by Gross Contracted Rentals, include Accenture, TLG (Sapient) and RBS. The top 10 tenants at Candor Techspace G2 accounted for 94.5% of its Gross Contracted Rentals.

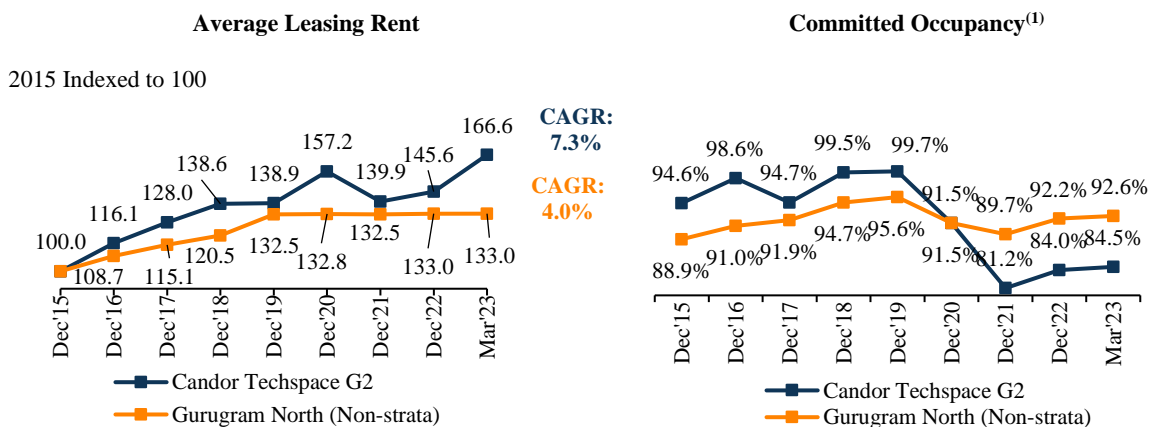
Candor Techspace G2 has a diverse base of 15 office tenants comprising multinational corporations representing a broad array of industries, including consulting, technology and financial services. The chart below sets forth details of area leased by trade sectors represented in the office park:



**Rent and Occupancy Trends**

There has been a significant growth in average Leasing Rent at Candor Techspace G2 over the periods presented on account of the high quality infrastructure, upgrade initiatives undertaken, integrated office campus experience and superior infrastructure including multiple entry and exit points.

The charts below set out the increase in average Leasing Rent at Candor Techspace G2 and rents in the Gurugram North micro-market, along with details of the Committed Occupancy levels:

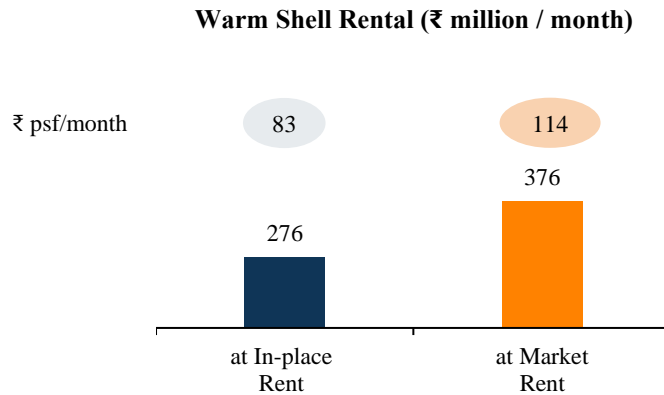


Note: The average Leasing Rent for Candor Techspace G2 represents the average rent for the gross leasing for the 12-month period preceding the dates indicated except for March 2022, which is for the preceding three-month period. The rent for the micro-market is the average rent as of the dates indicated and along with the occupancy rates, are as per the Industry Report.

(1) Tower 11 (0.2 msf) was delivered in February 2020. Lower Committed Occupancy during the year ending December 31, 2021 was due to lease expiries during COVID-19 period.

### Mark to Market Potential

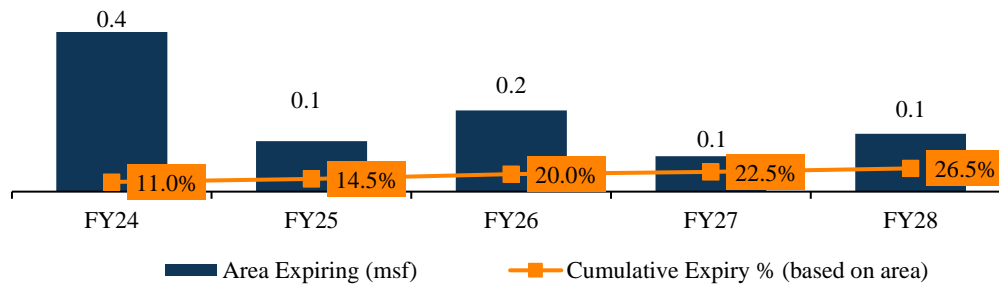
The average in-place rent at Candor Techspace G2 was ₹83 psf/month compared to an estimated market rent of ₹114 psf/month according to the Industry Report, resulting in high mark to market potential of 36.3%, as illustrated below:



Note: Market rent calculated as per the Industry Report, as of March 31, 2023.

### Lease Expiry Profile

The WALE of Candor Techspace G2 is 7.7 years, with 0.9 msf (i.e., 26.5%) of the leases expiring, based on leased area, between March 31, 2023 and March 31, 2028 as illustrated below:



Note: The bars represent leases expiring, based on leased area, during the period, in million square feet.

The following table sets out information relating to cumulative expiration of Gross Contracted Rentals at Candor Techspace G2 and mark to market potential for the periods indicated, at expiry:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	11.6%	14.3%	19.9%	22.2%	26.2%
In-place rent at expiration (₹ psf/month)	86	112	100	89	97
Mark to market potential <sup>(1)</sup>	37.9%	10.4%	29.1%	52.9%	45.8%

Note: In-place rent at expiration and mark to market potential have been computed for expiring office leases only.

(1) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

### Upgrade / Placemaking Initiatives

We have undertaken several major initiatives to enhance the value of Candor Techspace G2 and provide our tenants a superior experience, such as:

- upgraded entrance lobbies by including a new seating lounge, a digital directory and a new reception area;
- re-designed the landscaping of the property and created sit-out areas;
- created a new and seamless arrival experience through a visitor management centre; and
- streamlined the traffic circulation of the campus by providing additional ingress and egress points, implementation of radio frequency identification systems and rationalization of parking areas within the campus.

**Candor Techspace N1, Sector 62, Noida**



***Property Description***

Spread over 19.3 acres, Candor Techspace N1 is one of the largest office parks in the Sector 62, Noida micro-market in terms of leasable area (*Source: C&W Report*) and is zoned as an information technology park. The office park is one of the few high quality Grade-A office parks in Noida and is well placed to provide expansion space to its occupiers through its on-site development potential. The office park benefits from its proximity to Delhi and its location in the heart of the Sector 62 Noida micro-market, which has become a hub for technology outsourcing and has witnessed a proliferation of occupiers over the last four years. It enjoys superior connectivity and is connected to the rest of NCR by a 14-lane expressway and the metro rail.

Candor Techspace N1 has seven completed buildings totalling 2.0 msf of Completed Area and 0.9 msf of Future Development Potential. The integrated ecosystem of the office park offers a modern workplace environment that features a diverse array of amenities such as convenience and retail stores, day care centre, salon, fire safety facilities, a pharmacy, banks and ATMs. Further, our newly constructed amenity block includes a food court, cafeterias and food and beverage outlets to improve tenant experience. Candor Techspace N1 has also been awarded a BEE 5 Star rating.

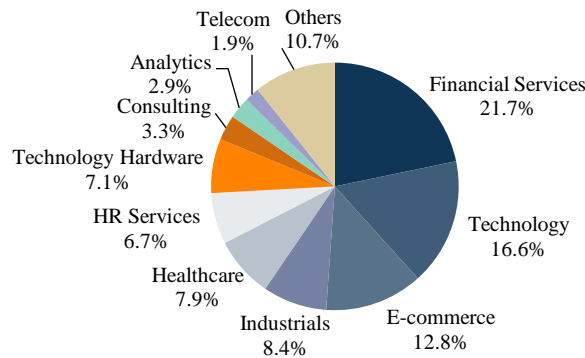
The table below sets out a summary of select operational information about Candor Techspace N1:

<b>Key Asset Information</b>	
Asset SPV	Shantiniketan Properties Private Limited
Land Size (Acres)	19.3
Land Ownership	Leasehold (on a 90 year lease from NOIDA)
Leasable Area (msf)	2.8
<i>Completed Area (msf)</i>	2.0
<i>Future Development Potential (msf)</i>	0.9
Completed buildings	7
Area Leased (msf)	1.9
Committed Occupancy (%)	96.2%
WALE (years)	7.3
Number of office tenants	28
Market Value (₹ in millions)	24,245

***Tenancy Profile***

The largest tenants at Candor Techspace N1, by Gross Contracted Rentals, include Amazon and Landis Gyr. The top 10 tenants at Candor Techspace N1 accounted for 63.5% of its Gross Contracted Rentals.

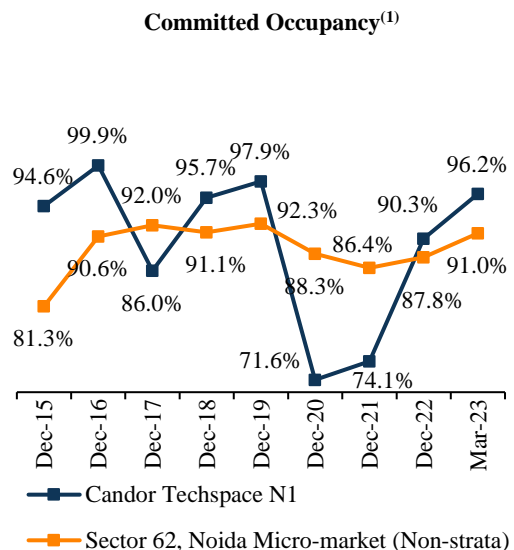
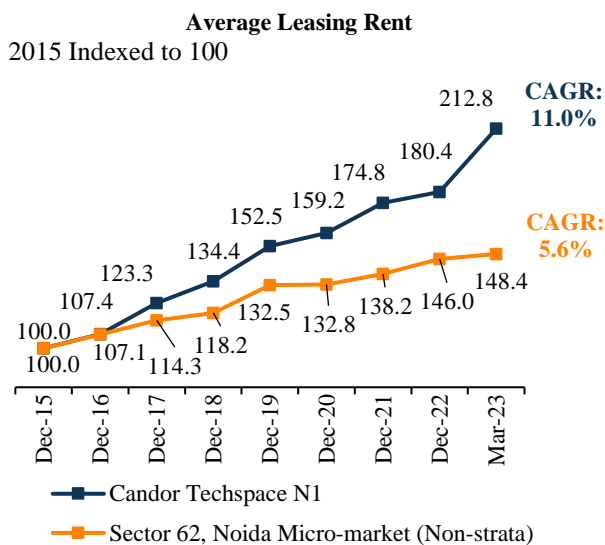
There are 28 tenants at Candor Techspace N1 comprising both, prominent multinationals and Indian corporates, and while the largest tenant segment is the financial services sector, there are tenants from other sectors such as technology hardware, e-commerce and technology. The following chart provides a breakdown of area leased by trade sectors represented in the office park:



### Rent and Occupancy Trends

Candor Techspace N1 has witnessed strong growth in average Leasing Rent on account of the premium office campus experience and amenities that it provides and its extensive connectivity. Sector 62, Noida has witnessed limited new supply since 2015 while the occupier demand has grown more robust.

The following charts set forth the increase in average Leasing Rent achieved at Candor Techspace N1 and rents at other Grade-A assets in the Sector 62, Noida micro-market, as well as details of its Committed Occupancy levels:



Note: The average Leasing Rent for Candor Techspace N1 represents the average rent for the gross leasing for the 12-month period preceding the dates indicated except for March 2022, which is for the preceding three-month period. The rent for the micro-market is the average rent as of the dates indicated and along with the occupancy rates, are as per the Industry Report.

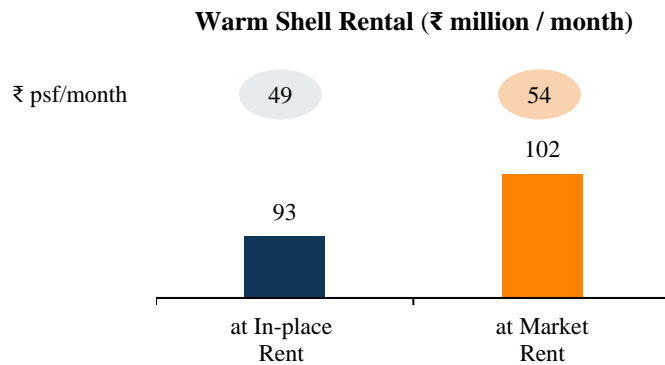
(1) Tower 5 (0.5 msf) was delivered in September, 2020

(2) Same Store Occupancy represents Committed Occupancy for areas where the occupancy certificate was received on or before March 31, 2020.

### Mark to Market Potential

The average in-place rent at Candor Techspace N1 was ₹49 psf/month compared to an estimated market rent of ₹54 psf/month according to the Industry Report, resulting in a mark to market potential of 9.1%, as illustrated

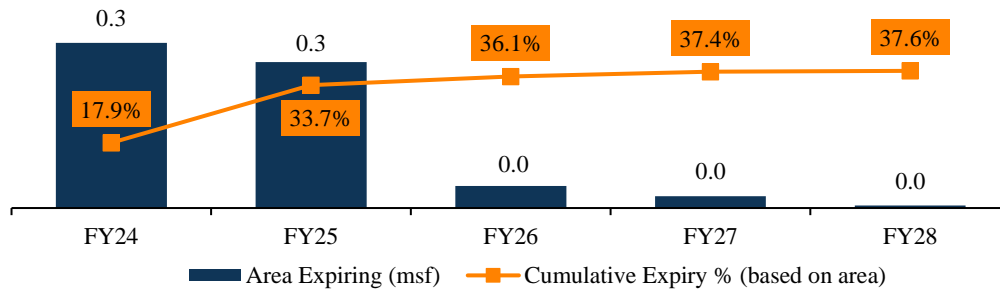
below:



Note: Market rent calculated as per the Industry Report, as of March 31, 2023.

### Lease Expiry Profile

The WALE of Candor Techspace N1 is 7.3 years, with only 0.7 msf (i.e., 37.6%) of the leases expiring, based on leased area, between March 31, 2023 and March 31, 2028 as illustrated below:



Note: The bars represent leases expiring, based on leased area, during the period, in million square feet.

The following table sets out information relating to cumulative expiration of Gross Contracted Rentals at Candor Techspace N1 and mark to market potential for the periods indicated, at expiry:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	14.2%	29.3%	31.8%	33.1%	33.5%
In-place rent at expiration (₹ psf/month)	41	45	48	56	-
Mark to market potential <sup>(1)</sup>	35.2%	30.7%	26.3%	15.0%	-

Note: In-place rent at expiration and mark to market potential have been computed for expiring office leases only.

(1) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

### Upgrade / Placemaking Initiatives

We have undertaken several initiatives to enhance the attractiveness of Candor Techspace N1 to our existing and prospective tenants, including:

- reduced campus ingress and egress timings by upgrading entry and exit points and upgrading parking systems to radio frequency identification systems based parking;
- introduced several tenant convenience facilities such as day care centres, a salon, ATMs, 24x7 convenience store and enhanced the amenities;
- installed rooftop solar panels; and
- implemented upgrades and renovations at the office park, such as upgrading the lobbies and refurbishing the food court to make it an attractive office campus for large multi-national corporates.

**Candor Techspace N2, Sector 135, Noida**



***Property Description***

Spread over 29.7 acres, Candor Techspace N2 is a multi-tenanted office SEZ and one of the largest office campuses in Noida (Source: C&W Report). The office park is located within the Noida-Greater Noida Expressway micro-market, the fastest growing office cluster of Noida, and has received strong occupier interest in the recent past due to its strategic location on an eight lane expressway, large residential catchments and limited institutional competition.

Candor Techspace N2 is significantly complete, comprising 14 operating buildings totalling 3.8 msf of Operational Area and a future development potential of 0.8 msf. The property has been awarded BEE 5 Star rating and is IGBC Certified (Platinum Rating), reflecting the sustainable practices and solutions implemented at the campus.

The table below sets out a summary of select operational information regarding Candor Techspace N2:

<b>Key Asset Information</b>	
Asset SPV	Seaview Developers Private Limited
Land Size (Acres)	29.7
Land Ownership	Leasehold (on a 90 year lease from NOIDA)
Leasable Area (msf)	4.5
<i>Completed Area (msf)</i>	3.8
<i>Future Development Potential (msf)</i>	0.8
Completed buildings	14
Area Leased (msf)	2.9
Committed Occupancy (%)	77.0%
Effective Economic Occupancy (%)	95.0%
WALE (years)	7.4
Number of office tenants	22
Market Value (₹ in millions)	42,896

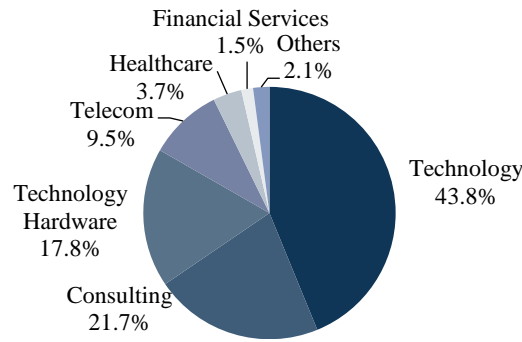
***Tenancy Profile***

The largest tenants at Candor Techspace N2, by Gross Contracted Rentals, include Samsung, Genpact and Cognizant. The top 10 tenants at Candor Techspace N2 accounted for 77.7% of its Gross Contracted Rentals.

Candor Techspace N2 has a very diverse base of 22 office tenants comprising several multinationals and Indian corporates primarily from the technology sector, while also attracting tenants from other sectors such as consulting



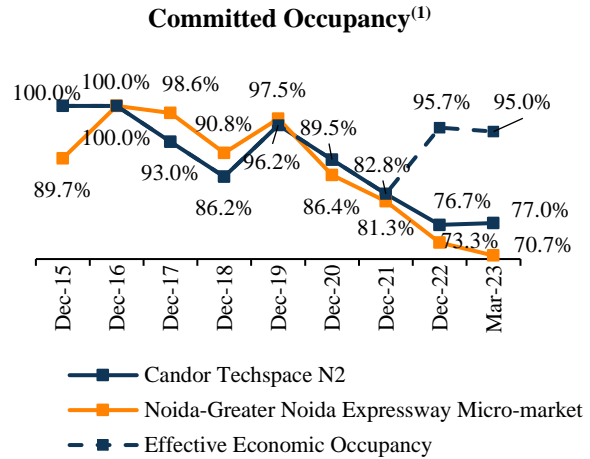
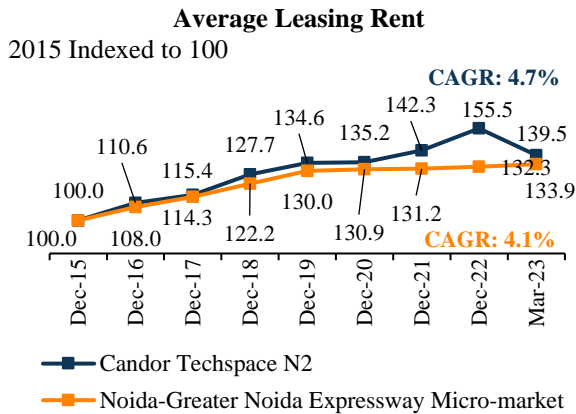
and technology hardware, as illustrated below:



**Rent and Occupancy Trends**

The integrated office campus experience and superior infrastructure provided by Candor Techspace N2, have helped it maintain significantly high Committed Occupancy levels.

The increase in average Leasing Rent achieved at Candor Techspace N2 and rents at other Grade-A assets in the Noida-Greater Noida Expressway micro-market, as well as details of its Committed Occupancy levels are set forth below:

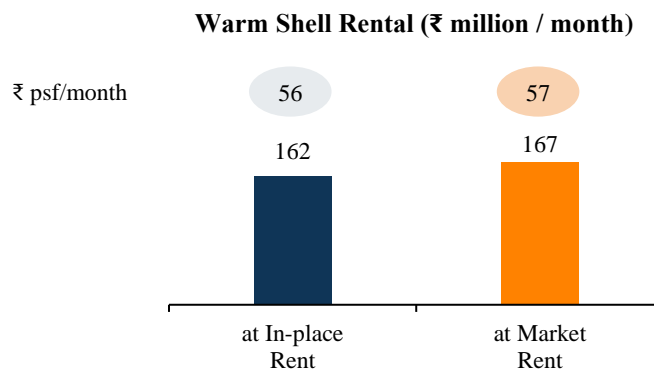


Note: The average Leasing Rent for Candor Techspace N2 represents the average rent for the gross leasing for the 12-month period preceding the dates indicated except for March 2023, which is for the preceding three-month period. The rent for the micro-market is the average rent as of the dates indicated and along with the occupancy rates, are as per the Industry Report.

(1) The Committed Occupancy was low as of December 31, 2018 due to the completion of 0.3 msf during the quarter ending December 31, 2018.

**Mark to Market Potential**

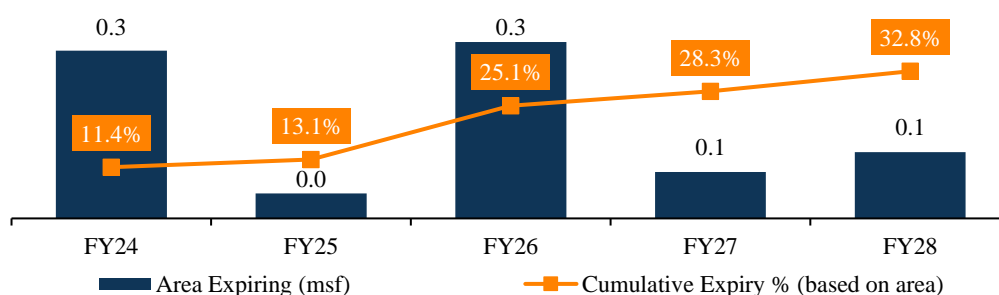
The average in-place rent at Candor Techspace N2 was ₹56 psf/month compared to an estimated market rent of ₹57 psf/month according to the Industry Report, resulting in mark to market potential of 2.8%, as illustrated below:



Note: Market rent calculated as per the Industry Report, as of March 31, 2023.

### Lease Expiry Profile

The WALE of Candor Techspace N2 is 7.4 years, with only 1.0 msf (i.e., 32.8%) of the leases expiring based on leased area, between March 31, 2023 and March 31, 2028 as illustrated below:



Note: The bars represent leases expiring, based on leased area, during the period, in million square feet.

The following table sets out information relating to cumulative expiration of Gross Contracted Rentals at Candor Techspace N2 and mark to market potential for the periods indicated, at expiry:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	11.5%	12.6%	23.1%	26.5%	30.8%
In-place rent at expiration (₹ psf/month)	55	63	54	66	68
Mark to market potential <sup>(1)</sup>	8.9%	(0.8%)	21.7%	3.0%	4.6%

Note: In-place rent at expiration and mark to market potential have been computed for expiring office leases only.

(1) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

### Upgrade / Placemaking Initiatives

Brookfield has undertaken initiatives to enhance the value of Candor Techspace N2 and provide its tenants a superior experience, such as:

- improved amenity offerings by setting up two amenity blocks including a food court to make it an attractive office campus for large tenants; and
- improved ingress-egress of the property through widening and refurbishment of the SEZ gates and upgraded parking systems to radio frequency identification based systems.

**Candor Techspace K1, Rajarhat, Kolkata**



***Property Description***

Spread over 48.4 acres, Candor Techspace K1 is a prominent office SEZ, and the largest campus style office development in eastern India. The property is a large Grade-A office park, located in the New Town precinct of the Rajarhat micro-market, which has emerged as a preferred office address due to its institutional quality stock and cost-effective rentals.

The Rajarhat micro-market is connected to Bishwa Bangla Sarani, which is the main connecting road to rest of Kolkata. Bishwa Bangla Sarani is part of the arterial road network in New Town where multiple elevated corridors and underpasses have been created to ease traffic and enhance connectivity. Candor Techspace K1 is in proximity to large hospitals, prominent malls, a convention centre and premium educational institutions and offers abundant modern and affordable housing. Further, through the upcoming metro connectivity, Rajarhat is expected to become a preferred location of work for the residents of eastern and northern Kolkata.

Candor Techspace K1 has 12 completed buildings aggregating to 3.1 msf of Completed Area and 2.7 msf of Future Development Potential (0.6 msf of which is under construction). Candor Techspace K1 comprises of 45.4 acres of SEZ notified land and three acres of land outside the SEZ area, which is planned to be developed for mixed-use, such as for commercial, retail and/ or serviced apartments as part of the Future Development Potential. With a wide range of amenities available to its tenants such as a food court, outdoor sports facility, cafeterias, banquet hall, a health club with a swimming pool, convenience and retail stores, day care centres, and medical facilities (including a pharmacy, wellness centre and ambulance services), the office park offers modern campus infrastructure which provides it a significant differentiation over competing properties.

Candor Techspace K1 is the only property in Kolkata which is a BEE 4 Star IT/ITeS SEZ campus, which reflects our commitment to developing energy efficient commercial premises. For details, see “-Awards and Other Certifications” on page 198.

The following table summarizes select operational information regarding Candor Techspace K1:

<b>Key Asset Information</b>	
Asset SPV	Candor Kolkata One Hi-Tech Structures Private Limited
Land Size (Acres)	48.4
Land Ownership	Freehold
Leasable Area (msf)	5.7
Completed Area (msf)	3.1
Future Development Potential <sup>(1)</sup> (msf)	2.7

Key Asset Information	
Completed buildings	12
Area Leased (msf)	2.6
Committed Occupancy (%)	83.5%
WALE (years)	7.1
Number of office tenants	13
Market Value (₹ in millions)	27,013

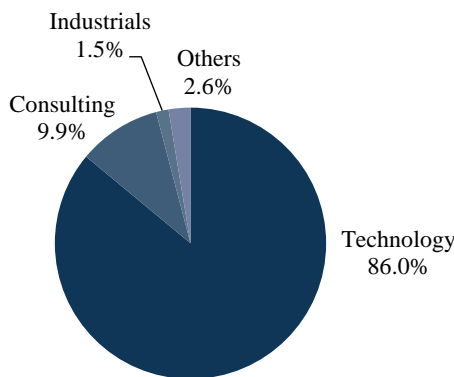
*Note*

(1) Includes 0.6 msf of commercial cum retail development which is under construction, wherein Gurgaon Infospace Limited (GIL) shall pay Candor Techspace K1 a sum of INR 1,000 million (inclusive of GST) (out of which INR 680 million has already been received) in instalments and be entitled to receive 28% of revenue comprising rentals, CAM margins, parking and any other revenue.

**Tenancy Profile**

The largest tenants at Candor Techspace K1, by Gross Contracted Rentals, include Cognizant, Tata Consultancy Services and Accenture. The top 10 tenants at Candor Techspace K1 accounted for 97.4% of its Gross Contracted Rentals.

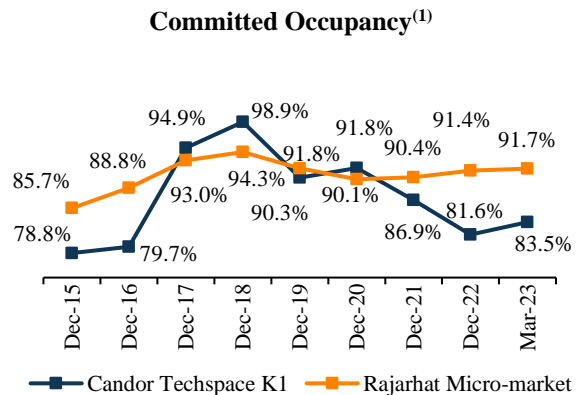
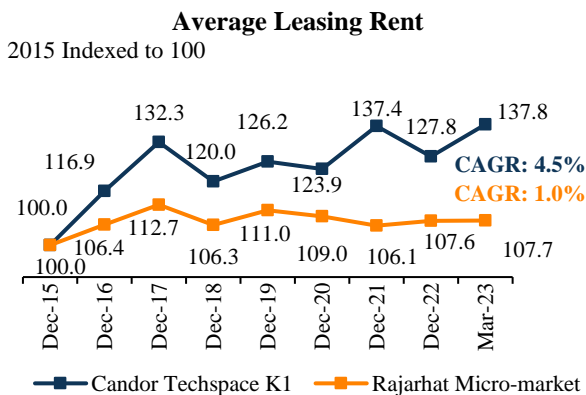
Candor Techspace K1 has leased space to 13 office tenants, and while its key tenants are primarily from the technology sector, it also attracts tenants from other sectors such as consulting, as illustrated below:



**Rent and Occupancy Trends**

On account of the superior integrated office experience and range of amenities provided at Candor Techspace K1, there has been a significant growth in average Leasing Rent.

The increase in average Leasing Rent achieved at Candor Techspace K1 over other Grade-A assets in the Rajarhat micro-market, as well as details of the Committed Occupancy levels at the office park are set forth in the charts below:



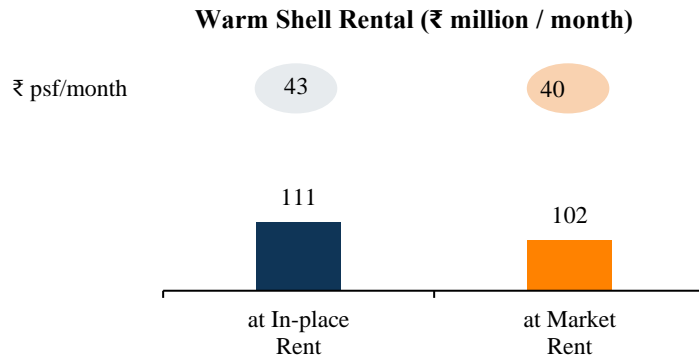
*Note: The average Leasing Rent for Candor Techspace K1 represents the average rent for the gross leasing for the 12-month period preceding the dates indicated except for March 2022, which is for the preceding three-month period. The rent for the micro-market is the average rent as of the dates indicated and along with the occupancy rates, are as per the Industry Report.*

(1) The Committed Occupancy was low as of December 31, 2019 due to the addition of 0.5 msf during the quarters ending June 30, 2019 and September 30, 2019.

Candor Techspace K1 is the largest asset in Kolkata and has become one of the landmark properties in the micro-market.

### ***In-place Rent and Market Rent***

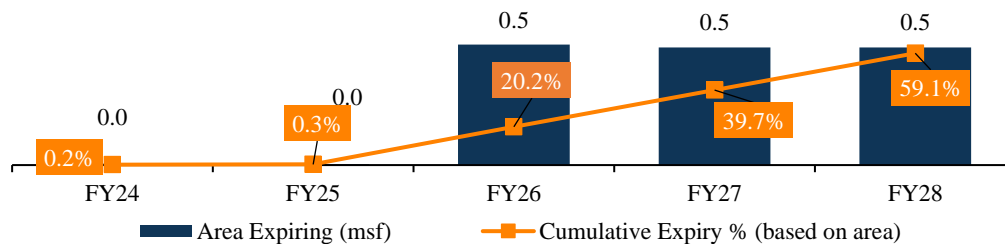
Candor Techspace K1 has outperformed its micro market and the average in-place rent at Candor Techspace K1 was ₹43 psf/month compared to an estimated market rent of ₹40 psf/month according to the Industry Report, as illustrated below:



*Note: Market rent calculated as per the Industry Report, as of March 31, 2023.*

### ***Lease Expiry Profile***

The WALE of Candor Techspace K1 is 7.1 years, with 1.5 msf (i.e., 59.1%) of the leases expiring, based on leased area, between March 31, 2023 and March 31, 2028 as shown below:



*Note: The bars represent leases expiring, based on leased area, during the period, in million square feet.*

The following table sets out information relating to cumulative expiration of Gross Contracted Rentals at Candor Techspace K1 and mark to market potential for the periods indicated, at expiry:

	FY2024	FY2025	FY2026	FY2027	FY2028
% Cumulative Expiration of Gross Contracted Rentals	0.5%	1.0%	21.2%	41.2%	60.6%
In-place rent at expiration <sup>(1)</sup> (₹ psf/month)	47	-	51	51	54
Mark to market potential <sup>(1)(2)</sup>	(14.1%)	-	(15.4%)	(13.4%)	(16.9%)

*Notes:*

- (1) In-place rent at expiration and mark to market potential have been computed for expiring office leases only.
- (2) Mark to market potential has been projected for FY 2024, FY 2025, FY 2026, FY 2027 and FY 2028 using estimated market rent as per the Industry Report.

### ***Future Development Potential***

Candor Techspace K1 has 2.7 msf of Future Development Potential, of which 0.6 msf is under construction and 2.1 msf can be developed as mixed-use including commercial office, retail and/or serviced apartments.

### ***Upgrade / Placemaking Initiatives***

We have undertaken several major initiatives to enhance the value of Candor Techspace K1 and provide our tenants a superior experience, such as:

- renovated and expanded the food court;

- refurbished the banquet facility, installed modern audio-visual equipment and created a pre-function space;
- revamped the health club including gym and swimming pool;
- installed rooftop solar panels and undertook initiatives to reduce water and energy consumption and reduce our carbon footprint;
- introduced several amenities such as a telecom store, pharmacy, convenience stores, banks, salons, courier and concierge services and F&B outlets; and
- improved connectivity both, within and immediately outside the office park, through dedicated shuttle services.

## **DESCRIPTION OF OTHER ASPECTS OF OUR BUSINESS**

### **Marketing and Leasing Activities**

The marketing and leasing team of our Manager and CIOP is responsible for marketing and promoting the Current Portfolio to existing tenants as well as potential tenants. Our Manager also utilizes the services of property consultants and brokers for the Current Portfolio. Our Manager is focused on maintaining a brand that tenants associate with consistently delivering high levels of client service, maintenance and amenities. The marketing and leasing team remains in frequent contact with key property consultants by way of physical meetings, electronic communication and networking and industry forum interactions.

### **Lease Agreements**

The Asset SPVs have entered into lease agreements with their respective tenants that contain customary terms and conditions generally included in typical commercial real estate leases, including those relating to the duration of the leases and the renewals, rent and escalation term, provision of security deposit, as well as refurbishment works, if any. The lease agreements are for terms that generally extend from five to 15 years.

The leased premises comprise office space along with a select number of allocated parking slots. The leases generally include an interest free, refundable security deposit. The amount of security deposit is generally in the range of three to six months of the lease rental. The rent is generally payable in advance on a monthly basis. Rentals under the lease agreements are a function of various factors, including prevailing market rentals, rent free period, security deposits, fit-outs (tenant improvement capital expenditure), space availability and occupancy at the assets. The lease agreements generally contain escalation provisions, and a majority of the leases have rental escalations of 12% to 15% every three years. Certain of our lease agreements also have rental escalations of 5% every 12 months. These lease agreements typically do not contain clauses which provides high grace period in lieu of higher rental values. The assets are generally leased on a warm shell basis (i.e., building in air and watertight condition, including elevators, centralized air conditioning infrastructure, common area electrical wiring, utility and backup power and plumbing) and the tenants generally undertake tenant improvement capital expenditure themselves at their own expense and as per their own requirements. With the built-in rent escalations on leases already in place, we expect to generate stable growth in our revenue from operations.

The lease agreements generally contain common termination provisions such as termination upon default of the counterparty. Leases typically have a lock-in period during which the tenant is not allowed to exit unless there is a breach by the lessor of the terms of the lease agreement. Lock-in period, wherever applicable, in a majority of the agreements lasts three to five years from the lease commencement date. For leases where the lock-in period has expired or is not applicable, the lessee has an option to surrender the premises after providing an advance written notice, usually, of three or six months, as applicable.

Other common provisions in the lease agreements include the lessors' obligation to ensure the continuous supply of utilities necessary for the use of the premises, such as electricity and water. Tenants are also charged for 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 the property.

### **Environmental, Health and Safety Certifications**

*IGBC Green Building and LEED Certification*

The Indian Green Building Council (“IGBC”) has introduced the Green Existing Buildings Rating System, which is designed for campuses including IT and industrial and office parks, administrative and educational campuses, healthcare and hospitality campuses. The rating system primarily focuses on the common areas, utilities and landscaping provided in the campus and is independent of whether the individual buildings within the campus have LEED certification. The key categories and components that are evaluated are site planning and management, sustainable transportation, water conservation, energy efficiency, material and resource management, health and well-being, green education and innovation in design. The certification program addresses priorities, which include water conservation, waste management, energy efficiency, reduced use of fossil fuels and health and well-being of occupants. Under this program, Candor Techspace K1 was awarded a Gold Rating in March 2020, Candor Techspace N1 was awarded a Platinum Rating in August 2021 and Candor Techspace N2 was awarded a Platinum Rating in May 2022.

These certifications are valid for three years. Having assets LEED/ IGBC certified endorses the commitment towards environmental sustainability and providing a greener and safer work environment for the occupants. Our Manager was certified as a founding member and a green building champion of IGBC for furthering the green building movement across India.

Further, the operations at Candor India Office Parks Private Limited are certified under the ISO 9001:2015 standard for quality management, ISO 14001:2015 standard for environment management, and the ISO 45001:2018 standard for occupational health and safety management systems implementation.

#### *GRESB Rating*

GRESB provides a rigorous methodology and consistent framework to measure the ESG performance of individual assets and portfolios based on self-reported data. We scored 100% in social and governance categories, outperforming industry averages, and were awarded a five star rating by GRESB in 2022.

#### **Insurance**

We have in place insurance for the Current Portfolio that our Manager believes is adequate in relation to the properties and consistent with industry practice in India. Our insurance policies cover physical loss or damage to the property arising from a number of specified risks including burglary, third party liabilities on account of unforeseen events within our office parks, insurance housebreaking, loss or damage due to riot, fire, earthquakes and other perils. Our Manager also maintains directors’ and officers’ liability insurance for majority Asset SPVs. See “*Risk Factors – Risks related to our Business and Industry – We may not be able to maintain adequate insurance to cover all losses that we may incur*” on page 65.

#### **Employees**

The Portfolio Companies have employed 122 personnel, as of March 31, 2023, and the following table sets forth function wise details of such personnel:

<b>Particulars</b>	<b>Number of Personnel</b>
SEZ, approval, audit, legal and compliance	11
Leasing, CRM, business development and marketing	20
Finance, PMO and financial planning	21
Design and projects	29
Support team	10
Operations	21
General management	1
Procurement	9
<b>Total</b>	<b>122</b>

Further, our Manager has employed 66 personnel, as of March 31, 2023, as set forth below:

<b>Particulars</b>	<b>Number of Personnel</b>
SEZ, approval, audit, legal and compliance	10
Leasing, CRM, business development and marketing	17
Finance, PMO and financial planning	20
Operations	5
Design and projects	6
Support team	2

Particulars	Number of Personnel
General management	4
Procurement	2
<b>Total</b>	<b>66</b>

### Awards and Other Certifications

Brookfield has received several awards and accolades with respect to its real estate business in India over the years including:

Calendar Year	Name of Awarding Organization	Name of Award, Ranking or Certification
2022	Indian Green Building Council	IGBC Performance Challenge Excellence Award
2022	Golden Peacock Awards	Sustainability Award, 2022 awarded to the Brookfield REIT
2022	TUV SUD Asia Pacific Group (TUV)	ISO 50001 : 2018- Energy Management System
2021	Global Real Estate Congress	Best Sustainable & Green Project of the Year (G2) 2021
2021	Confederation of Indian Industry (CII)	Gold Prize - EHS Award 2021
2021	Confederation of Indian Industry (CII)	National Award - Excellence in Energy Management (G2) 2021
2021	CII-Centre of Excellence for Competitiveness	National 5S Excellence Awards 2021 ('Gold' and 'Diamond' rating received across the sites)
2021	Bureau Veritas (India) Pvt Limited	Health, Safety and Hygiene Conformity Assessment-Safeguard Label
2021	TUV SUD Asia Pacific Group (TUV)	ISO 45001 : 2018- For Occupational Health & Safety Management System
2021	TUV SUD Asia Pacific Group (TUV)	ISO 14001 : 2015- For Environment Management System
2021	TUV SUD Asia Pacific Group (TUV)	ISO 9001: 2015- For Quality Management System
2021	British Safety Council (BSC)	Five Star Occupational Health and Safety Audit and Sword of Honor (SOH) awarded to Candor Techspace G2
2021	Global Real Estate Congress	Developer of the Year (Commercial)
2021	Global Real Estate Congress	Best Sustainable/ Green Project of the Year
2021	Global Real Estate Congress	Best Project Commercial and Sustainable Project
2021	Confederation of Indian Industry (CII)	Gold Prize - National EHS Competition
2021	Indian Green Building Council (IGBC)	Indian Green Building Certification- Existing Building-Platinum Rating
2021	Confederation of Indian Industry (CII)	Energy Efficient Unit- 22nd National Award for Excellence in Energy Management 2021
2021	New and Renewable Energy Department, Haryana	First Prize "Gold" Certification- State Level Energy Conservation Awards 2022

### Approvals

For details on the status of approvals, licenses and registrations from various authorities required to carry on the business and environment considerations with respect to development regulations and planning norms, see "*Risk Factors—In case our Asset SPVs are unable to obtain, maintain or renew required regulatory approvals and permits in a timely manner or at all, our business, results of operations and financial condition may be adversely affected.*" on page 60.

### Intellectual Property

The trademark '*Brookfield India Real Estate Trust*' and '*Brookfield India REIT*' along with the logo of the Brookfield REIT, and other associated trademarks have been sub-licensed to us, our Manager (its capacity as the manager of the Brookfield REIT), and the Portfolio Companies (including any other companies that may be directly or indirectly held by us) by Brookfield Asset Management Holdings SRL, a part of the Brookfield Group.

For further details, see "*Risk Factors - Risks Related to our Business and Industry – We do not own the trademark or logo for the "Brookfield India Real Estate Trust" or "Brookfield India REIT" and hence our inability to use or protect these intellectual property rights may have an adverse effect on our business and results of operations*" and "*Management Framework – Other key agreements – Trade-Mark Sublicense Agreement*" on pages 64 and 231, respectively.

### Competition



The leasing of real estate is highly competitive, and we compete with numerous developers, owners and operators of commercial real estate, many of which own or may seek to acquire or develop similar properties in the micro-markets in which the Expanded Portfolio is located. The principal means of competition are rent charged, location, asset quality, services provided and the nature and condition of the facility to be leased. In addition, we may face active competition in acquiring suitable and attractive properties from other property investors, including other REITs, property development entities, sovereign wealth funds and private investment funds. See also “*Industry Overview*” on page 95.

## OUR PORTFOLIO COMPANIES AND TARGET SPVS

The corporate details of each of our Portfolio Companies are set forth below. For details with respect to the Portfolio, see “*Our Business and Properties*” beginning on page 148.

### Asset SPVs

#### 1. Festus Properties Private Limited (“Festus”)

##### Corporate Information

Festus was incorporated on May 11, 2016 as a private limited company under Companies Act and its name was changed to its current name pursuant to receipt of certificate of incorporation pursuant to change of name dated July 16, 2016 issued by the RoC, Mumbai. The registered office of Festus is located at Ground Floor, Common Service Area, Kensington Building, ‘A’ Wing, SEZ Building, Powai, Mumbai 400 076, Maharashtra. Kensington is held by Festus.

##### Capital structure of Festus

Particulars	No. of equity shares of face value of ₹10 each as on the date of this Preliminary Placement Document
Authorised share capital	500,000,000
Issued, subscribed and paid-up share capital	464,641,122

##### Shareholding pattern of Festus

The shareholding pattern of Festus as on the date of this Preliminary Placement Document is set forth below:

Shareholder	Equity share capital	
	No. of equity shares of ₹10 each	Shareholding percentage (%) (approx.)
Brookfield REIT	464,641,122*	100

\*Includes one equity share held by CIOP as a nominee of the Brookfield REIT

#### 2. Candor Kolkata One Hi-Tech Structures Private Limited (“Candor Kolkata”)

##### Corporate Information

Candor Kolkata was incorporated on October 13, 2005 as a public company under Companies Act, 1956. Pursuant to receipt of a certificate of incorporation, pursuant to change of name dated January 27, 2016 issued by the RoC, Delhi, its name was last changed to Candor Kolkata One Hi-Tech Structures Private Limited. The registered office of Candor Kolkata is situated at F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai 400 067, Maharashtra.

Candor Techspace K1 and Candor Techspace G2 are both held by Candor Kolkata.

##### Capital structure of Candor Kolkata

Particulars	No. of equity shares of face value of ₹10 each as on the date of this Preliminary Placement Document
Authorised share capital	4,000,000
Issued, subscribed and paid-up share capital	97,527

##### Shareholding pattern of Candor Kolkata

The shareholding pattern of Candor Kolkata as on the date of this Preliminary Placement Document is set forth below:

Equity share capital		
Shareholder	No. of equity shares of ₹10 each	Shareholding percentage (%) (approx.)
Brookfield REIT	97,527*	100

\*Includes one equity share held by CIOP as a nominee of the Brookfield REIT

### 3. Shantiniketan Properties Private Limited (“SPPL Noida”)

#### Corporate Information

SPPL Noida was incorporated on April 4, 2005, as Shantiniketan Properties Limited, a public company under Companies Act, 1956. Pursuant to receipt of a certificate of incorporation, consequent to conversion to a private limited company, dated October 6, 2015 issued by the RoC, Delhi, SPPL Noida was converted into a private limited company. The registered office of SPPL Noida is situated at F-83, Profit Centre, Gate No. 1 Mahavir Nagar, Kandivali (W), Mumbai 400 067, Maharashtra. Candor Techspace N1 is held by SPPL Noida.

#### Capital structure of SPPL Noida

Particulars	No. of equity shares of face value of ₹10 each as on the date of this Preliminary Placement Document
Authorised equity share capital	145,000,000
Authorised preference share capital	25,000,000
Issued, subscribed and paid-up equity share capital	143,865,097

#### Shareholding pattern of SPPL Noida

The shareholding pattern of SPPL Noida as on the date of this Preliminary Placement Document is set forth below:

Equity share capital		
Shareholder	No. of equity shares of ₹10 each	Shareholding percentage (%) (approx.)
Brookfield REIT	143,865,097*	100

\*Includes one equity share held by CIOP as a nominee of the Brookfield REIT

### 4. Seaview Developers Private Limited (“SDPL Noida”)

#### Corporate Information

SDPL Noida was incorporated on March 21, 2005 as a public company under Companies Act, 1956 and its name was changed to its current name pursuant to receipt of a certificate of incorporation, consequent upon conversion to private limited company, dated October 21, 2015 issued by the RoC, Delhi. The registered office of SDPL Noida is F-83, Profit Centre, Gate No. 1 Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai 400 067, Maharashtra. Candor Techspace N2 is held by SDPL Noida.

#### Capital structure of SDPL Noida

Particulars	No. of equity shares of face value of ₹10 each as on the date of this Preliminary Placement Document
Authorised equity share capital	2,000,000
Issued, subscribed and paid-up equity share capital	17,381

*Shareholding pattern of SDPL Noida*

The shareholding pattern of SDPL Noida as on the date of this Preliminary Placement Document is set forth below:

Equity share capital		
Shareholder	No. of equity shares of ₹10 each	Shareholding percentage (%) (approx.)
Brookfield REIT	17,381*	100

\*Includes one equity share held by CIOP as a nominee of the Brookfield REIT

**Operational Service Provider**

**5. Candor India Office Parks Private Limited (CIOP)**

*Corporate Information*

CIOP was incorporated on October 21, 2014 as Candor Office Parks Private Limited, a private limited company under the Companies Act and its name was changed pursuant to receipt of certificate of incorporation pursuant to change of name dated September 22, 2017, issued by the RoC, Mumbai. The registered office of CIOP is situated at F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai 400 067, Maharashtra.

CIOP provides services including property management, facilities management and support services to the Candor Asset SPVs. For further details, see “*Management Framework*” beginning on page 224.

*Capital structure of CIOP*

Particulars	No. of equity shares of face value of ₹10 each as on the date of this Preliminary Placement Document
Authorised share capital	10,000
Issued, subscribed and paid-up share capital	10,000

*Shareholding pattern of CIOP*

The shareholding pattern of CIOP as on the date of this Preliminary Placement Document is set forth below:

Equity Share Capital		
Shareholder	No. of equity shares of ₹10 each	Shareholding percentage (%) (approx.)
Brookfield REIT	10,000*	100

\*Includes one equity share held by Candor Kolkata as a nominee of the Brookfield REIT

**Details of the Target SPVs**

The holding structure of the Brookfield REIT pursuant to the completion of the Acquisition Transactions is set out under “*Background of the Brookfield REIT*” beginning on page 78 and the details of the Acquisition Transactions are set out under, “*Acquisition Transactions*” beginning on page 204.

**(i) Downtown Powai SPV**

*Corporate Information*

Downtown Powai SPV was incorporated on March 16, 2017 as a private limited company under Companies Act, 2013. The registered office of Downtown Powai SPV is 401 and 402, 4<sup>th</sup> Floor, Delphi A, Orchard Avenue, Powai, Mumbai 400 076, Maharashtra. Downtown Powai is held by Downtown Powai SPV.

*Capital Structure of Downtown Powai SPV*

Particulars	No. of equity shares of face value of ₹10 each as on the date of this Preliminary Placement Document
Authorised capital	132,010,000
Issued, subscribed and paid-up share capital	9,759,000

*Shareholding pattern of Downtown Powai SPV*

The shareholding pattern of Downtown Powai SPV as on the date of this Preliminary Placement Document is set forth below:

Equity Share Capital		
Shareholder	No. of equity shares of ₹10 each	Shareholding percentage (%) (approx.)
Project Diamond	9,758,999	99.99
Project Cotton	1	0.001

CCDs		
Shareholder	No. of CCDs	Percentage (%) (approx.)
Project Diamond	66,913,046	100

**(ii) G1 SPV**

*Corporate Information*

G1 SPV was incorporated under the name of Unitech Realty Projects Limited, on September 8, 2005, as a public limited company under Companies Act, 1956 and converted into a private limited company *vide* certificate of incorporation dated October 1, 2015, under the name of Unitech Realty Projects Private Limited. Pursuant to the certificate of incorporation dated January 19, 2016, the name was changed to Candor Gurgaon One Realty Projects Private Limited. The registered office of G1 SPV is F-83, Profit Centre, Gate No. 1, Mumbai - 400013, Mahavir Nagar, Kandivali, Mumbai – 400067, Maharashtra. Candor Techspace G1 is held by G1 SPV.

*Capital Structure of G1 SPV*

Particulars	No. of equity shares of face value of ₹10 each as on the date of this Preliminary Placement Document
Authorised capital	2,000,000
Issued, subscribed and paid-up share capital	10,063

*Shareholding pattern of G1 SPV*

The shareholding pattern of G1 SPV as on the date of this Preliminary Placement Document is set forth below:

Equity Share Capital		
Shareholder	No. of equity shares of ₹10 each	Shareholding percentage (%) (approx.)
BSREP IOH II	10,057	99.94
BSREP IOH	6	0.06

CCDs		
Shareholder	No. of CCDs	Percentage (%)
BSREP IOH II	9,120	100

## THE ACQUISITION TRANSACTIONS

### ***Downtown Powai Acquisition***

The Brookfield REIT proposes to acquire 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, which owns and operates nine completed buildings comprising (a) Fairmont, (b) Winchester, (c) Alpha, (d) Delphi (including wings A, B and C), (e) Spectra, (f) Prudential, (g) Crisil House, (h) Ventura A (includes Under-Construction Area of 74,668 sq. ft.); and (i) One Boulevard all located in Hiranandani Gardens, forming part of a larger township, at Powai, Mumbai, Maharashtra, India, together with land forming the footprint of and appurtenant to each of the nine buildings, along with amenities and rights to access roads on a non-exclusive basis set up over a total of 19.95 acres. The remaining 50% of Downtown Powai SPV is being acquired by Reco Europium, an affiliate of GIC (a global institutional investor).

The purchase consideration for the Downtown Powai Acquisition of ₹65,000 million, has been arrived based on an enterprise value of the Downtown Powai SPV, which shall be adjusted in accordance with the provisions of the Downtown Powai REIT SPA.

No acquisition fee is payable to the Manager for the Downtown Powai Acquisition.

The Brookfield REIT proposes to undertake the Downtown Powai Acquisition in the following manner:

- by acquiring Downtown Powai SPV from its current shareholders (*i.e.*, the Downtown Powai Sellers) under the Vrihis ROFO Agreement in accordance with the terms of the Downtown Powai REIT SPA; and
- by acquiring the Downtown Powai Securities from the Downtown Powai Sellers (*i.e.*, 4,879,500 Equity Shares and 28,606,156 CCDs) in a single tranche, resulting in acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV and subscribe to the Downtown Powai Consideration NCDs for a total cash consideration of ₹16,963 million (as may be adjusted for the preferential allotment of Units, if any, in consideration for purchase of such Equity Shares by the Brookfield REIT).

Additionally, Reco Europium proposes to acquire 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV amounting to 4,879,500 Equity Shares and 28,606,156 CCDs (and also proposes to subscribe to Downtown Powai Consideration NCDs), for a total cash consideration of ₹16,963 million, subject to and in accordance with the terms and conditions of the Reco Europium SPA. The proposed acquisition by both the Brookfield REIT and Reco Europium in Downtown Powai SPV would collectively amount to 100% of the share capital (on a fully diluted basis) of Downtown Powai SPV. Post completion of the Downtown Powai Acquisition, pursuant to the terms of the Downtown Powai Securities Purchase Agreements, the management and governance of Downtown Powai SPV will be governed in accordance with the Downtown Powai SHA. However, if 'Completion' (as defined under the Reco Europium SPA) does not occur simultaneously with 'Completion' under the Downtown Powai REIT SPA, the management and governance of Downtown Powai SPV is proposed to be governed in accordance with the Downtown Powai Interim SHA to be entered into between the parties.

Pursuant to Regulation 19(5)(b)(i) of the REIT Regulations and the policy on related party transactions adopted by the Manager on behalf of the Brookfield REIT, the Unitholders have approved the Downtown Powai Acquisition pursuant to a resolution dated June 12, 2023 in accordance with Regulation 22(5) of the REIT Regulations. For further details, please see "*Related Party Transactions - Ongoing and future related party transactions*".

### ***Acquisition Mechanics***

While the Brookfield REIT intends to complete the Downtown Powai Acquisition and G1 Acquisition in accordance with the terms of the Downtown Powai REIT SPA and G1 REIT SSPA, respectively, and utilize the funds in accordance with the proposed plan set forth under "*Use of Proceeds*" beginning on page 315, depending upon the quantum of funds raised in the Issue and any other forms of fund raising, including preferential allotment of Units, for cash or otherwise, rights offering of Units, incurring of fresh indebtedness by the Brookfield REIT or the respective Target SPV (with respect to the repayment of external debt of the Target SPVs) that may be undertaken by Brookfield REIT in accordance with applicable law, the Brookfield REIT may proceed to complete the said acquisitions in the following manner:

- (i) first, at the minimum, complete the Downtown Powai Acquisition and G1 Acquisition;

- (ii) next, partly repay/pre-pay the external debt of the G1 SPV by subscribing to the G1 Debt Repayment NCDs; and
- (iii) thereafter, partly repay/pre-pay the external debt of the Downtown Powai SPV by subscribing to the Downtown Powai Debt Repayment NCDs.

As set out under the Downtown Powai SHA and the G1 SHA, respectively, the Brookfield REIT proposes to subscribe to: (i) unlisted non-convertible debentures of Downtown Powai SPV for an amount not exceeding ₹1,750 million (or such reduced amount in accordance with the Downtown Powai SHA) to be utilized by Downtown Powai SPV for the purpose of partial repayment of certain external debt availed by Downtown Powai SPV or for such other purposes as will be set forth under the debenture subscription agreement, in the form and format substantially similar to the terms of subscription under the Downtown Powai Debenture Subscription Agreement, and; (ii) unlisted non-convertible debentures of G1 SPV for an amount not exceeding ₹5,000 million (or such reduced amount in accordance with the G1 SHA) to be utilized by G1 SPV for the purpose of partial repayment of certain external debt availed by G1 SPV or for such other purposes as will be set forth under the debenture subscription agreement, in the form and format substantially similar to the terms of subscription under the G1 Debenture Subscription Agreement. For details, see “– *Downtown Powai Debenture Subscription Agreement*” and “– *G1 Debenture Subscription Agreement*” on pages 211 and 219, respectively.

By way of a letter dated July 27, 2023, BSREP II India (a member of the Sponsor Group) has expressed their support towards the closure of the Acquisition Transactions, pursuant to which the affiliates of BSREP II India are willing to subscribe to further units of the Brookfield REIT for an aggregate amount ranging from ₹ 8,000 million to ₹11,000 million, in accordance with applicable law (as part of the funding for the Acquisition Transactions).

#### ***Proposed funding for the Downtown Powai Acquisition***

The funds for the Downtown Powai Acquisition are proposed to be raised through a combination of the Issue and other forms of fund raising, if any, including preferential allotment of Units, for cash or otherwise, rights offering of Units, incurring of fresh indebtedness by the Brookfield REIT or Downtown Powai SPV (with respect to the repayment of external debt of the Downtown Powai SPV), in accordance with applicable law.

#### ***Key terms of the Downtown Powai Acquisition Agreements***

##### ***I. Downtown Powai REIT SPA***

Project Diamond, the Brookfield REIT (acting through the Manager) and Downtown Powai SPV have entered into the Downtown Powai REIT SPA dated May 18, 2023 for the sale of the Downtown Powai Sale Securities which shall constitute 50% of the share capital of Downtown Powai SPV on a fully diluted basis. Simultaneously, with the execution of the Downtown Powai REIT SPA, Project Diamond, Downtown Powai SPV, Reco Europium and Reco Iris have entered into the Reco Europium SPA dated May 18, 2023 for the purchase of the remaining 50% of the share capital of Downtown Powai SPV (on a fully diluted basis) by Reco Europium. The Downtown Powai REIT SPA and Reco Europium SPA are collectively referred to as the “**Downtown Powai Securities Purchase Agreements**”.

##### **Downtown Powai Sale Securities**

Downtown Powai Sale Securities means a total of (a) 4,879,500 Equity Shares; (b) 28,606,156 CCDs comprising such classes of CCDs as identified in the Downtown Powai REIT SPA. The purchase consideration has been arrived based on an enterprise value of Downtown Powai SPV of ₹65,000 million, which shall be adjusted in accordance with the provisions of the Downtown Powai REIT SPA.

##### **Purchase Consideration**

The purchase consideration to acquire 50% of the share capital of Downtown Powai SPV (on a fully diluted basis) shall be paid by the Brookfield REIT to the Downtown Powai Sellers in the form of cash consideration of ₹16,963 million (as may be adjusted for the preferential allotment of Units, if any, in consideration for purchase of such Equity Shares) for 4,879,500 Equity Shares of and 28,606,156 CCDs of Downtown Powai SPV.

Additionally, simultaneous to the occurrence of ‘Completion’ under the Reco Europium SPA, the Brookfield REIT has agreed to subscribe to the Downtown Powai Consideration NCDs. For details, please see “–*Downtown Powai Debenture Subscription Agreement*” below.

### Standstill Conditions

Downtown Powai SPV has agreed to conduct all its business in the ordinary course and to not undertake the following activities, among others, until the earlier of 'Completion' under the Downtown Powai REIT SPA or its termination: (i) buy or sell any movable property or create any encumbrance over such property, (ii) repay debt in excess of prescribed monetary limits; and (iii) make any changes to its constitutional documents.

### Conditions to the Downtown Powai Acquisition

The obligation of the Brookfield REIT to acquire the Downtown Powai Sale Securities and the obligation of Project Dimond to sell such Downtown Powai Sale Securities, is conditional upon the completion (unless waived) of certain conditions precedent including, *inter alia*: (i) Project Diamond shall have procured the consent of the Company Lenders (*as defined in the Downtown Powai REIT SPA*) for, *inter alia*, consummation of the Downtown Powai Acquisition; (ii) Downtown Powai SPV taking such steps to give effect to refinancing of indebtedness to the Company Lenders, following Completion (*as defined in the Downtown Powai REIT SPA*) by way of loans totaling to an aggregate sanction amount of ₹32,500 million; (iii) Project Diamond having provided to the Brookfield REIT a draft of the valuation report determining the fair market value of the Downtown Powai Sale Securities; (iv) each Company Lender having consented to, *inter alia*, refinancing the entire indebtedness of the Downtown Powai SPV owed to the Company Lender and release of security created to secure such indebtedness consequent upon such repayment; and (v) the Brookfield REIT having obtained the approval of the Unitholders for (a) undertaking the Issue and allotment of Units to qualified institutional buyers/investors under the Issue; and (b) for undertaking the Downtown Powai Acquisition under the Downtown Powai REIT SPA.

### Representations and Warranties

Project Diamond has given certain customary representations and warranties under the Downtown Powai REIT SPA, including in relation to the title held by Project Diamond in the Downtown Powai Sale Securities.

### Indemnification

The Brookfield REIT will be indemnified for certain breaches of the Downtown Powai REIT SPA by the Downtown Powai Sellers and these indemnities are subject to monetary and time-period limitations that have been mutually agreed between Project Diamond and the Brookfield REIT.

### Termination of Downtown Powai REIT SPA

The closing under the Downtown Powai REIT SPA shall occur upon completion of the seller and purchaser conditions to the satisfaction of the respective parties and in the manner set out in the Downtown Powai REIT SPA. However, closing under the Downtown Powai REIT SPA is not conditional to the closing under the Reco Europium SPA. The Downtown Powai REIT SPA may be terminated (i) by mutual consent of the parties if agreed in writing; (ii) automatically, if the closing does not take place by the stipulated long stop date (*i.e.*, three months from the execution date of the Downtown Powai REIT SPA, or such other extended date in accordance with the Downtown Powai REIT SPA), subject to the terms laid down in the Downtown Powai REIT SPA; (iii) automatically, if any condition precedent is not fulfilled or waived or deferred to as a condition subsequent to completion under the Downtown Powai REIT SPA by any party; or (iv) by the Brookfield REIT upon (a) disagreement between the parties on a material disclosure under the updated disclosure letter, in the manner specified in the Downtown Powai REIT SPA; or (b) by written notice to Downtown Powai SPV and the Downtown Powai Sellers, if a breach of the covenants and obligations of the Downtown Powai Sellers or Downtown Powai SPV has occurred, or (c) by written notice to Downtown Powai SPV and Project Diamond upon the occurrence of a material adverse effect, wherein the breach or the material adverse effect is not rectified within the cure period, in accordance with the Downtown Powai REIT SPA.

## *II. Downtown Powai SHA*

Downtown Powai SHA means the shareholders' agreement dated May 18, 2023 executed between the Brookfield REIT, Reco Europium and Downtown Powai SPV and includes any amendments, addendums or supplemental agreements or documents as may be entered into by each of the parties in writing.

The Brookfield REIT, Reco Europium and Downtown Powai SPV have entered into the Downtown Powai SHA to record their *inter-se* rights and obligations as shareholders of Downtown Powai SPV and the terms of management and governance of Downtown Powai SPV. Except for certain provisions in the Downtown Powai SHA such as definitions, shareholder commitment, terms and conditions of the shareholder commitment NCDs,



confidentiality, termination and dispute resolution, which will come into effect upon execution of the Downtown Powai SHA, the other terms of the Downtown Powai SHA will become applicable when 'Completion' (as defined under the Downtown Powai Securities Purchase Agreements) takes place, whichever is later ("**Downtown Powai Effective Date**"), unless otherwise prescribed in the Downtown Powai SHA. For details of the Downtown Powai Securities Purchase Agreements, please see "*-Downtown Powai REIT SPA*" above.

The key terms of the Downtown Powai SHA are as follows:

- *Board composition, board nominee and observer rights:* The Downtown Powai Board shall comprise a total of 3 directors or such other number of directors as may be mutually agreed to between the Brookfield REIT and Reco Europium. Further, the committees of the Downtown Powai Board are required to be constituted in the same proportion as mentioned below.

As long as the Brookfield REIT holds not less than 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, it has the right to nominate two directors to the Downtown Powai Board and Reco Europium has the right to nominate one director to the Downtown Powai Board.

In the event the number of directors on the Downtown Powai Board is required to be increased, as a result of a change in applicable law, then the Brookfield REIT is entitled to, for as long as it holds not less than 50% of the share capital of Downtown Powai SPV (on a fully diluted basis), to nominate the majority of the directors on the Downtown Powai Board. If the Brookfield REIT holds less than 50% of the share capital of Downtown Powai SPV (on a fully diluted basis), then the Brookfield REIT and Reco Europium shall have the right to nominate directors on the Downtown Powai Board in proportion to their respective shareholding in Downtown Powai SPV.

Additionally, each of the Brookfield REIT and Reco Europium have the right to appoint observers on the Downtown Powai Board in proportion to their respective shareholding in Downtown Powai SPV and such board observers shall not have any voting rights. Each of the Brookfield REIT and Reco Europium are entitled to quorum rights for the meetings of the Downtown Powai Board, committee and shareholder meetings.

- *Management, development and operations:* Downtown Powai SPV will engage CIOP as its property manager in accordance with the terms of the Downtown Powai Property Management Agreement. For details of the Downtown Powai Property Management Agreement, please see "*-Downtown Powai Property Management Agreement*" below. Further, in the event Downtown Powai SPV undertakes any new development, asset upgrade or redevelopment after the Downtown Powai Effective Date, then it shall appoint a member of the Brookfield Group Entities (as defined in the Downtown Powai SHA) to act as the identified development manager and the Downtown Powai is required to enter into a development management agreement for all such development work with the identified development manager, for a pre-approved fee, on terms and conditions agreed to in writing between Downtown Powai SPV with the prior written approval of the Brookfield REIT and Reco Europium on the one hand and the identified development manager on the other hand.

In the event any action is proposed to be taken against CIOP under the Downtown Powai Property Management Agreement or against the identified development manager under the development management agreement and during the said period for so long as CIOP and/ or the development manager continue to form a part of the Brookfield Group Entities or are an affiliate or subsidiary of the Brookfield REIT, owing to the conflict of interest between the Brookfield REIT on one side and CIOP and/ or the development manager on the other, Reco Europium, being the non-conflicted party, shall have the right, in view of the best interests of Downtown Powai SPV and its shareholders, to exercise the rights and remedies of Downtown Powai SPV under the respective agreements. However, the aforesaid right available to Reco Europium will be exercisable only after Reco Europium has consulted and engaged in good faith discussions with the Brookfield REIT and the Downtown Powai Board as to the actions being proposed to be taken under the respective agreements. In case of a difference of opinion between Reco Europium and the Brookfield REIT or the Downtown Powai Board, for so long as CIOP and/ or the development manager are a member of the Brookfield Group Entities or an affiliate or subsidiary of the Brookfield REIT, the decision of Reco Europium on such matter shall prevail and constitute the decision of Downtown Powai SPV. However, nothing mentioned above shall be construed to prevent the Brookfield REIT from exercising any rights to bring an action on behalf of Downtown Powai SPV against CIOP and/ or the development manager, consistent with the principles of law that apply to derivative actions.

- *Reserved Matters:* The Downtown Powai SHA sets out a list of decisions to be taken up by Downtown Powai SPV at a meeting of the Downtown Powai Board or shareholders only with a prior written consent of both the Brookfield REIT and Reco Europium. The matters which require such affirmative consent include protective rights customary to transactions of this nature and include, amongst others: (a) entering into related party transactions; (b) any increase, decrease or other alteration in the authorised or paid-up share capital; (c) any incurring of expenditure or liabilities in excess of the thresholds set out in the Downtown Powai SHA; (d) any deviations from or amendments to the annual business plan and budget, leasing guidelines and the development budget (as such terms have been defined in the Downtown Powai SHA); and (e) undertaking any borrowings or incurring any indebtedness, excluding in relation to any new facility forming part of the annual business plan and budget or any refinancing in terms of the refinancing guidelines.

The Downtown Powai SHA provides for a mechanism for shareholder resolution in the event there is a refusal or failure of either shareholder to grant consent for certain reserved matters (“**Deadlock**”). However, for such time until the Deadlock has not been resolved, the parties to the Downtown Powai SHA shall continue to conduct Downtown Powai SPV affairs in such a manner as they were being conducted prior to such a Deadlock.

- *Compliance with REIT Regulations:* As long as the Downtown Powai SPV is classified as an SPV of the Brookfield REIT, Reco Europium has undertaken to not exercise any of its rights under the Downtown Powai SHA in such a manner that would prevent the Brookfield REIT or Downtown Powai SPV from complying with the provisions of the REIT Regulations. In case of any inconsistency between the Brookfield REIT’s obligations under the Downtown Powai SHA and the REIT Regulations, the latter shall prevail.

For the purpose of preparation of the consolidated financial statements of the Brookfield REIT and submission of the same to the stock exchanges/ Unitholders, as required under applicable law, both the Brookfield REIT and Reco Europium have agreed that Downtown Powai SPV shall provide the financial statements of Downtown Powai SPV for the relevant quarter to the Brookfield REIT in a timely manner and in accordance with the provisions set out under the Downtown Powai SHA including with respect to preparation, notification and resolution of differences, if any, with respect to the financial statements of Downtown Powai SPV.

- *Shareholder Commitment towards reduction of external debt:* (a) No later than seven days prior to the Downtown Powai Effective Date, as well as (b) during the six month period (or 12 month period, if so requested by the Brookfield REIT) following the Downtown Powai Effective Date, each of the shareholders shall infuse up to ₹1,750 million (or such reduced amount in accordance with the Downtown Powai SHA) in Downtown Powai SPV, towards reducing the external indebtedness in Downtown Powai SPV (or for such other purposes as will be set forth under the debenture subscription agreement), as mentioned in the Downtown Powai SHA (“**Shareholder Commitment Amount**”), by subscribing to NCDs in accordance with the Downtown Powai SHA. The Downtown Powai SHA also lays out the timelines and consequences for any failure by the shareholders in infusing the Shareholder Commitment Amount in accordance with the timelines prescribed above.

- *Transfer restrictions*

- At all points in time and other than where the Brookfield REIT is itself in default as identified in the Downtown Powai SHA, Reco Europium is not permitted to transfer any of the Downtown Powai Securities held by it to any entity that has been identified as a ‘Brookfield REIT Competitor’ as set out under the Downtown Powai SHA.
- Other than as expressly provided under the Downtown Powai SHA, for a period of 24 months from the Downtown Powai Effective Date, (a) both the Brookfield REIT and Reco Europium shall not directly or indirectly sell any of the Downtown Powai Securities held by them, without the prior written consent of the other shareholder; and (b) Reco Europium shall not undergo any change of control, as defined under the Downtown Powai SHA, without the prior written consent of the Brookfield REIT.
- After completion of the lock-in period of 24 months both the shareholders are free to transfer the Downtown Powai Securities subject to the transfer restrictions set out below:

- i. if Reco Europium proposes to directly or indirectly sell all (and not less than all) of its Downtown Powai Securities to a third party (not being a 'Brookfield REIT Competitor') then it shall offer the Brookfield REIT a right of first offer in accordance with the terms and conditions as set out in the Downtown Powai SHA.
  - ii. if the Brookfield REIT proposes to directly sell all (and not less than all) of its Downtown Powai Securities to a third party then it is required to offer Reco Europium a right of first offer and a tag along right in accordance with the terms and conditions as set out in the Downtown Powai SHA.
- *Event of Default and Put/ Call options:* The following events have been identified as events of default under the Downtown Powai SHA *inter alia*: (a) breach of certain provisions of the Downtown Powai SHA by a shareholder or its affiliates (as defined in the Downtown Powai SHA) in relation to, among other things: (I) board meetings, (II) general meetings; (III) rights in subsidiaries; (IV) transfers; (V) reserved matters; (VI) Reco Europium's Right to Participate (*as mentioned under "Other rights and obligations – (a)" below*); and (VII) identified provisions of a change in control; (b) wilful default by Downtown Powai SPV of the information and access rights under the Downtown Powai SHA; (c) failure to treat shareholders alike as to matters concerning distributions by Downtown Powai SPV (except as set out in the Downtown Powai SHA); (d) occurrence of an insolvency event of a shareholder; (e) any fraud in relation to Downtown Powai SPV, its subsidiaries or the business by the shareholders or their affiliates (as defined in the Downtown Powai SHA); and (f) fraud or a breach of compliance with provisions relating to financial crimes by (I) the identified property manager under the Downtown Powai Property Management Agreement or (II) the identified development manager under the development management agreement, if such conduct or actions resulting in the fraud or breach benefits or enriches the Brookfield REIT (to the exclusion of Downtown Powai SPV and Reco Europium).

Upon the occurrence of an event of default, which has not been cured within the timelines mentioned in the Downtown Powai SHA, the non-defaulting shareholder has, at its discretion, the right to either (a) purchase the Downtown Powai Securities of the defaulting shareholder at a price equivalent to 90% of the fair value of the defaulting shareholder's Downtown Powai Securities (*Call Option*); or (b) sell all of its Downtown Powai Securities to the defaulting shareholder for a price equivalent to 110% of the fair value of the Downtown Powai Securities held by the non-defaulting shareholder (*Put Option*).

- *Right to buy-sell:* So long as (a) the Brookfield REIT or any member of the Brookfield Group Entities, and (b) Reco Europium or members of the Investor Group (as defined under the Downtown Powai SHA) are shareholders in both Downtown Powai SPV and G1 SPV, in the event of issuance of an event of default notice by either of the above parties pursuant to terms of the G1 SHA, then the party who has triggered such an event of default will also have the right to require either all its Downtown Powai Securities to be bought by the defaulting party or all of Downtown Powai Securities held by the defaulting party to be sold to such triggering party. For this, the defaulting party shall determine a price for the transfer of the securities which shall be range bound within the regulatory price, and the non-defaulting party shall have the ability to choose to buy or sell the securities of Downtown Powai at such price.
- *Information and Access Rights:* The shareholders of Downtown Powai SPV are entitled to receive, among others: (a) the un-audited quarterly financial statements and the audited financial statements, both on a standalone and consolidated basis, (b) annual and quarterly internal audit reports, (c) minutes of all Downtown Powai Board, its committees and shareholder meetings, and (d) information with respect to the commencement of any material proceedings within the timelines prescribed in the Downtown Powai SHA, as applicable. Additionally, the shareholders are also entitled to inspect the books and accounts, the premises, properties and contracts of Downtown Powai SPV.
- *Other rights and obligations:* Downtown Powai SHA also provides for certain other rights and obligations of the shareholders of the Downtown Powai SPV which include, (a) an undertaking from the Brookfield REIT to provide Reco Europium the ability to acquire or invest certain stake, alongside the Brookfield REIT, in real estate opportunities around Downtown Powai meeting certain parameters as detailed out in and in accordance with the Downtown Powai SHA, (b) Reco Europium having the right to require a joint sale of all of Downtown Powai Securities if SEBI (or any appellate authority appointed under the SEBI Act having jurisdiction over a REIT or SPV), imposes a sanction against the Brookfield REIT or the Downtown Powai SPV and which order has a material adverse effect on the Downtown Powai SPV, provided that the Brookfield REIT has not managed to procure a stay on such order or have it set aside or resolved in the manner set out in the Downtown Powai SHA within five months, (c) if Reco Europium

continues to be a shareholder of the Downtown Powai SPV after seven years from the Downtown Powai Effective Date, then for a period of two years, the shareholders shall make reasonable endeavors in good faith to procure an exit for Reco Europium by way of a stake swap in the manner set out in the Downtown Powai SHA, and (d) upon the Brookfield REIT undergoing a Change in Control (as defined under the Downtown Powai SHA (which is linked to the ownership of the manager and sponsor)), other than in favour of an entity forming part of the Agreed Whitelist (as set out in the Downtown Powai SHA), Reco Europium having the right to require all of its Downtown Powai Securities to either be bought by the Brookfield REIT or all of the Downtown Powai Securities held by the Brookfield REIT to be sold to it.

- *Termination of the Downtown Powai SHA:* The Downtown Powai SHA may be terminated (a) by mutual consent of the parties in writing; (b) automatically, upon termination of the Downtown Powai REIT SPA and the Reco Europium SPA; or (c) with respect to a shareholder, with immediate effect upon such shareholder and its affiliates ceasing to hold any Downtown Powai Securities, provided that such termination will not affect the rights and obligations of any person who has acquired securities or who has been assigned certain rights in accordance with the Downtown Powai SHA.
- *Relook:* In the event that ‘Completion’ under the Reco Europium SPA does not occur, solely as a result of termination of the Downtown Powai REIT SPA on or before the Long Stop Date (as defined in the Reco Europium SPA), and Reco Europium has not terminated or called an event of default under the Reco Europium SPA prior to such termination and subsequently, at any time within the next 12 months following such termination, the Brookfield REIT proposes to acquire 50% interest in Downtown Powai SPV along with a joint venture partner to acquire the remaining 50% interest, then it shall first offer Reco Europium the right to acquire 50% interest in Downtown Powai SPV on the same commercial terms as those acceptable to the Brookfield REIT.

The Downtown Powai SHA envisages certain rights and obligations of both shareholders which the respective shareholders may transfer to their respective assignees.

### III. Downtown Powai Interim SHA

The Brookfield REIT, Project Diamond, Project Diamond FPI and Downtown Powai SPV propose to enter into the Downtown Powai Interim SHA to record their *inter-se* rights and obligations as shareholders of Downtown Powai SPV and the terms of management and governance of Downtown Powai SPV if ‘Completion’ (as defined under the Reco Europium SPA) does not occur simultaneously with ‘Completion’ under the Downtown Powai REIT SPA. The provisions in the Downtown Powai Interim SHA will come into effect upon execution of the Downtown Powai Interim SHA.

The key terms of the Downtown Powai Interim SHA are as follows:

- *Board and committee composition, board nominee and observer rights:* The Downtown Powai Board shall comprise a total of three directors or such other number of directors as may be mutually agreed to between the Brookfield REIT and Project Diamond. Further, the committees of the Downtown Powai Board are required to be constituted in the same proportion as the Downtown Powai Board as mentioned above. As long as the Brookfield REIT holds not less than 50% of the share capital of Downtown Powai SPV (on a fully diluted basis), it has the right to nominate majority directors to the Downtown Powai Board. Additionally, the Brookfield REIT and Project Diamond shall have the right to appoint observers to the Downtown Powai Board in proportion to their shareholding in the Downtown Powai SPV.
- *Compliance with REIT Regulations:* Subject to Downtown Powai SPV being classified as an SPV of the Brookfield REIT, Project Diamond has undertaken to not exercise any of its rights under the Downtown Powai Interim SHA in such a manner that would prevent the Brookfield REIT or Downtown Powai SPV from complying with the provisions of the REIT Regulations, and in case of any inconsistency between the terms agreed under the Downtown Powai Interim SHA and the Brookfield REIT’s obligations under the REIT Regulations, the latter shall prevail.
- *Transfer restrictions:* Each of the shareholders shall be permitted to transfer all, but not less than all of the securities held by them, to any third parties without the consent of the other shareholder, subject to execution of a deed of adherence. Further, in the event ‘Completion’ under the Reco Europium SPA does not occur within the ‘Long Stop Date’ (as defined in the Reco Europium SPA), then the Brookfield REIT (either itself or through its Holding Company, SPV or affiliate, subject to compliance with applicable law) shall have the right (but not the obligation), subject to receipt of unitholder and other consents and

approvals, as may be required, to purchase the remaining 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV from Project Diamond such that the Brookfield REIT owns 100% of the share capital (on a fully diluted basis) of the Downtown Powai SPV. The Brookfield REIT shall have the ability to exercise such right to purchase the remaining 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV from Project Diamond within a period not exceeding six months (or such other period as may be mutually agreed between the Brookfield REIT and Project Diamond) from the date of execution of the Downtown Powai REIT SPA.

- *Information Rights:* In addition to such other information as the Brookfield REIT and Project Diamond are entitled to obtain under applicable law, the Brookfield REIT and Project Diamond are entitled to reasonably request for such additional information as may be required by them, from time to time.
- *Termination of the Downtown Powai Interim SHA:* The Downtown Powai Interim SHA may be terminated (a) by mutual consent of the parties in writing; (b) automatically, upon termination of the Downtown Powai REIT SPA; (c) automatically, without any further action, one day prior to the 'Completion Date' (as defined under the Reco Europium SPA); or (d) with respect to a shareholder, with immediate effect upon such shareholder and its affiliates ceasing to hold any securities in Downtown Powai SPV, provided that such termination will not affect the rights and obligations of any person.

#### *IV. Downtown Powai Debenture Subscription Agreement*

The Brookfield REIT, Reco Iris (together, the "**Downtown Powai Subscribers**"), Downtown Powai SPV and Project Diamond have entered into the Downtown Powai Debenture Subscription Agreement, for the issuance and allotment of 1,750,000 unlisted non-convertible debentures with a face value of ₹1,000 each by Downtown Powai SPV to the Brookfield REIT and Reco Iris, respectively, in consideration for the Subscription Consideration (as defined in the Downtown Powai Debenture Subscription Agreement), amounting to ₹1,750 million each, subject to 'Completion' (as defined under the Reco Europium SPA) and such other terms and conditions, set out therein.

The Subscription Consideration shall be utilized by Downtown Powai SPV towards payment of (a) interest/ coupon on the CCDs held by Project Diamond; and (b) principal amount, interest/ coupon and redemption amount on unlisted NCDs to be issued to Project Diamond FPI, pursuant to the implementation of the Composite Scheme.

The obligation of each Downtown Powai Subscriber to proceed to Completion (as defined under the Downtown Powai Debenture Subscription Agreement) shall be conditional upon the fulfilment of the certain conditions by Downtown Powai SPV as prescribed under the Downtown Powai Debenture Subscription Agreement, each to the satisfaction of the Downtown Powai Subscribers, acting reasonably.

#### *Term and Termination*

The Downtown Powai Debenture Subscription Agreement shall stand terminated prior to Completion (as defined under the Downtown Powai Debenture Subscription Agreement) in the event any of the following were to occur: (i) automatically, upon the termination of the Downtown Powai Securities Purchase Agreements; or (ii) upon mutual agreement of Project Diamond and the Downtown Powai Subscribers, in writing; or (iii) at the option of the party who is not in default of its obligations, any failure by a party to comply with or non-performance of its obligations under the Downtown Powai Debenture Subscription Agreement at Completion (as defined in the Downtown Powai Debenture Subscription Agreement).

#### *V. Downtown Powai Property Management Agreement*

Further, in relation to the details of the operating services to be provided to Downtown Powai SPV, please see "*Management Framework – Management Framework for the Target SPVs*" on page 227.

#### *G1 Acquisition*

The Brookfield REIT proposes to acquire 50% of share capital (on a fully diluted basis) of G1 SPV, which owns and operates Candor Techspace G1, one of the largest high quality integrated office campuses in Gurugram (Delhi NCR), set up over a total of 25.2 acres in Sector 48, Gurugram, Haryana, India. The remaining 50% of G1 SPV is being acquired by Reco Cerium, an affiliate of GIC (a global institutional investor).

The purchase consideration for the G1 Acquisition of ₹ 47,250 million, has been arrived based on an enterprise value of the G1 SPV, which shall be adjusted in accordance with the provisions of the G1 REIT SSPA.

No acquisition fee is payable to the Manager for the G1 Acquisition.

The Brookfield REIT proposes to undertake the G1 Acquisition in the following manner by acquiring:

- by acquiring G1 SPV from its current shareholders, the G1 Sellers and subscribing to the G1 Issuance Securities; and
- by subscribing to the G1 Issuance Securities and also acquiring the G1 Sale Securities from the G1 Sellers (*i.e.*, 5,031 Equity Shares and 4,559 CCDs), resulting in acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV and subscribe to the G1 Consideration NCDs for a total cash consideration of ₹ 8,921 million.

Additionally, Reco Cerium proposes to acquire 50% of the share capital (on a fully diluted basis) of G1 SPV amounting to 5,032 Equity Shares and 4,561 CCDs (and also proposes to subscribe to the G1 Consideration NCDs), for a total cash consideration of ₹8,921 million, subject to and in accordance with the terms and conditions of the Reco Cerium SPA. The proposed acquisition by both the Brookfield REIT and Reco Cerium in G1 SPV would collectively amount to 100% of the share capital (on a fully diluted basis) of G1 SPV. Post completion of the G1 Acquisition, pursuant to the terms of the G1 Securities Purchase Agreements, the management and governance of G1 SPV will be governed in accordance with the G1 SHA. However, if ‘Completion’ (as defined under the Reco Cerium SPA) does not occur simultaneously with ‘Completion’ under the G1 REIT SSPA, the management and governance of G1 SPV is proposed to be governed in accordance with the G1 Interim SHA to be entered into between the parties.

Pursuant to Regulation 19(5)(b)(i) of the REIT Regulations and the policy on related party transactions adopted by the Manager on behalf of the Brookfield REIT, the Unitholders have approved the G1 Acquisition pursuant to a resolution dated June 12, 2023 in accordance with Regulation 22(5) of the REIT Regulations.

#### ***Acquisition Mechanics***

For details of the acquisition mechanics, please see “*Downtown Powai Acquisition – Acquisition Mechanics*” on page 204.

#### ***Proposed funding for the G1 Acquisition***

The funds for the G1 Acquisition are proposed to be raised through a combination of the Issue and other forms of fund raising, if any, including preferential allotment of Units, for cash, rights offering of Units, and incurring of fresh indebtedness by the Brookfield REIT or the respective Target SPV (with respect to the repayment of external debt of the G1 SPV), in accordance with applicable law.

#### ***Key terms of the G1 Acquisition Agreements***

##### ***I. G1 REIT SSPA***

BSREP IOH II, Brookfield REIT (acting through the Manager) and G1 SPV have entered into the G1 REIT SSPA for (i) the issuance and allotment of one equity share and two CCDs (G1 Issuance Securities) by the G1 SPV to the Brookfield REIT; and (ii) the sale of the G1 Sale Securities to the Brookfield REIT, which shall, as on the closing date, collectively constitute 50% of the share capital of the G1 SPV (on a fully diluted basis) (G1 Acquisition Securities) to the Brookfield REIT. Simultaneously, with the execution of the G1 REIT SSPA, BSREP IOH II, G1 SPV, Reco Cerium and Reco Iris have entered into the Reco Cerium SPA dated May 18, 2023 for the purchase of the remaining 50% of the share capital of G1 SPV (on a fully diluted basis) by Reco Cerium. The G1 REIT SSPA and Reco Cerium SPA are collectively referred to as the “**G1 Securities Purchase Agreements**”.

##### **G1 Acquisition Securities**

Together, the G1 Issuance Securities comprising one Equity Share and two CCDs to be subscribed to by the Brookfield REIT and G1 Sale Securities comprising a total of 5,031 equity shares and 4,559 CCDs, comprising such classes of CCDs as identified in the G1 REIT SSPA. The purchase consideration has been arrived based on an enterprise value of G1 SPV of ₹47,250 million, which shall be adjusted in accordance with the provisions of the G1 REIT SSPA.

### Purchase Consideration

The purchase consideration for subscription of G1 Issuance Securities by the Brookfield REIT and the purchase of the G1 Sale Securities (collectively constituting 50% of the share capital of G1 SPV (on a fully diluted basis)) shall be paid by the Brookfield REIT in the form of cash consideration of ₹8,921 million for 5,032 Equity Share and 4,561 CCDs of G1 SPV.

Additionally, simultaneous to the occurrence of 'Completion' under the Reco Cerium SPA, the Brookfield REIT has agreed to subscribe to the G1 Consideration NCDs. For details, please see “–G1 Debenture Subscription Agreement” below.

### Standstill Conditions

G1 SPV has agreed to conduct all business in ordinary course and to not undertake the following activities, among others, until the earlier of 'Completion' under the G1 REIT SSPA or its termination: (i) buy or sell any movable property or create any encumbrance over such property, (ii) repay debt in excess of prescribed monetary limits; and (iii) make any changes to its constitutional documents.

### Conditions to the G1 Acquisition

The obligation of the Brookfield REIT to acquire the G1 Sale Securities and the obligation of the G1 Sellers to sell such G1 Sale Securities, is conditional upon the completion (unless waived) of certain conditions precedent including, *inter alia*: (i) BSREP IOH II having procured the consent of the Company Lenders (*as defined in the G1 REIT SSPA*) for, *inter alia* consummation of the G1 Acquisition; (ii) G1 SPV taking such steps to give effect to refinancing of indebtedness to the Company Lenders, following Completion (*as defined in the G1 REIT SSPA*) by way of loans totaling to an aggregate sanction amount of ₹19,500 million; (iii) BSREP IOH II having provided to the Brookfield REIT a draft of the valuation report determining the fair market value of the G1 Sale Securities; (iv) The G1 SPV having issued to the Brookfield REIT, the private placement offer letter on the terms and subject to the conditions of the G1 REIT SSPA; (v) the Brookfield REIT having received approval of the jurisdictional unit approval committee for the G1 Acquisition; (vi) each Company Lender having consented to, *inter alia*, refinancing the entire indebtedness of the G1 SPV owed to the Company Lender and release of security created to secure such indebtedness consequent upon such repayment; and (vii) the Brookfield REIT having obtained the approval of the Unitholders for (a) undertaking the Issue and allotment of Units to qualified institutional buyers/investors under the Issue; and (b) for undertaking the G1 Acquisition under the G1 REIT SSPA.

### Representations and Warranties

BSREP IOH II and the G1 SPV have given certain customary representations and warranties under the G1 REIT SSPA, including the representations from BSREP IOH II in relation to the title held by it in the G1 Sale Securities, and the representation from the G1 SPV in relation to the un-encumbered issuance and allotment of the G1 Issuance Securities.

### Indemnification

The Brookfield REIT will be indemnified for certain breaches of the G1 REIT SSPA by BSREP IOH II and these indemnities are subject to monetary and time-period limitations that have been mutually agreed between BSREP IOH II and the Brookfield REIT.

### Termination of G1 REIT SSPA

The closing under the G1 REIT SSPA shall occur upon completion of the seller and purchaser conditions to the satisfaction of the respective parties and in the manner set out in the G1 REIT SSPA. However, closing under the G1 REIT SSPA is not conditional to the closing under the Reco Cerium SPA. The G1 REIT SSPA may be terminated (i) by mutual consent of the parties if agreed in writing; (ii) automatically, if the closing does not take place by the stipulated long stop date (*i.e.*, three months from the execution date of the G1 REIT SSPA, or such other extended date in accordance with the G1 REIT SSPA), subject to the terms laid down in the G1 REIT SSPA; (iii) automatically, if any condition precedent is not fulfilled or waived or deferred to as a condition subsequent to completion under the G1 REIT SSPA by any party; or (iv) by the Brookfield REIT upon (a) disagreement between the parties on a material disclosure under the updated disclosure letter, in the manner specified in the G1 REIT SSPA, or (b) by written notice to G1 SPV and the G1 Sellers, if a breach of the covenants and obligations of the G1 Sellers or G1 SPV has occurred, or (c) by written notice to G1 SPV and the G1 Sellers upon the occurrence of

a material adverse effect, wherein the breach or the material adverse effect is not rectified within the cure period, in accordance with the G1 REIT SSPA.

## II. *G1 Income Support Agreement*

G1 SPV and MIOP (entity forming part of the Brookfield Group Entities) have executed the G1 Income Support Agreement dated May 18, 2023 for provision of funds, in the form of Income Support, to G1 SPV for eligible areas, as described in the G1 Income Support Agreement, in the manner agreed among the parties. Such Income Support will be provided by MIOP to G1 SPV on a quarterly basis from the Commencement Date (*as defined in the G1 Income Support Agreement*) until the expiry of the Second Year (“**Income Support Period**”).

The Income Support provided will be for an amount not exceeding ₹2,000 million in accordance with the terms of the G1 Income Support Agreement. Any delayed payment of the Income Support Amount shall carry interest at 12% per annum from the date the payment was due until the date that the payment is actually received by the G1 SPV.

Under the G1 Income Support Agreement, the specified rate for the payment of Income Support shall comprise the warm shell rent of the vacancies identified from time to time (*equivalent to ₹80 per square foot per month on the gross leasable area*) and the share of the fixed maintenance fees of such vacancies payable by tenants and licensees for the common area operations and maintenance of the G1 SPV’s assets (*equivalent to ₹12 per square foot per month on the gross leasable area*). From April 1, 2024 until the end of the Income Support Period, the specified rate shall comprise the warm shell rent of such vacancies (*equivalent to ₹84 per square foot per month on the gross leasable area*) and the share of the fixed maintenance fees of such vacancies payable by tenants and licensees for the common area operations and maintenance of Candor Techspace G1 (*equivalent to ₹12.60 per square foot per month on the gross leasable area*).

If, as per the terms laid down in the G1 Income Support Agreement, the aggregate of all Income Support Amounts actually paid or payable by MIOP until the expiry of the Second Year is less than ₹2,000 million then MIOP shall also pay the Residual Reimbursements (*as defined in the G1 Income Support Agreement*) to the G1 SPV.

### *Term and Termination*

The G1 Income Support Agreement is effective from the Commencement Date (*as defined in the G1 Income Support Agreement*) and shall remain in force unless terminated in the following manner: (a) upon the full disbursement of the Income Support Amount (*as defined in the G1 Income Support Agreement*) and payment of the Residual Reimbursements (*as defined in the G1 Income Support Agreement*) to the G1 SPV under the G1 Income Support Agreement; (b) upon the earlier of: (i) full disbursement of ₹2,000 million (*in accordance with the terms of the G1 Income Support Agreement*); and (ii) the expiry of the Income Support Period; and (c) upon the termination of either of the G1 Securities Purchase Agreements in accordance with the provisions therein.

### *Transfer of MIOP to the Brookfield REIT*

Under the G1 Income Support Agreement, the MIOP Shareholders shall be entitled to transfer all or any of the securities of MIOP to the Brookfield REIT (either directly or through its Holding Company, SPVs or affiliates, subject to compliance with applicable law) upon the earlier of (i) the 2<sup>nd</sup> anniversary of the Commencement Date; and (ii) the full disbursement of the Income Support Amount by MIOP to G1 SPV, payable in accordance with the G1 Income Support Agreement, being equal to ₹2,000 million

## III. *G1 SHA*

G1 SHA means the shareholders’ agreement dated May 18, 2023 executed between the Brookfield REIT, Reco Cerium and G1 SPV and includes any amendments, addendums or supplemental agreements or documents as may be entered into by each of the parties in writing.

The Brookfield REIT, Reco Cerium and G1 SPV have entered into the G1 SHA to record their *inter-se* rights and obligations as shareholders of G1 SPV and the terms of management and governance of G1 SPV. Except for certain provisions in the G1 SHA such as definitions, shareholder commitment, terms and conditions of the initial commitment NCDs, confidentiality, termination and dispute resolution, which will come into effect upon execution of the G1 SHA, the other terms of the G1 SHA will become applicable when ‘Completion’ (*as defined under the G1 Securities Purchase Agreements*) takes place, whichever is later (“**G1 Effective Date**”). For details of the G1 Securities Purchase Agreements, please see “–G1 REIT SSPA” above.



The key terms of the G1 SHA are as follows:

- *Board composition, board nominee and observer rights:* The G1 Board shall comprise a total of three directors or such other number of directors as may be mutually agreed to between the Brookfield REIT and Reco Cerium. Further, the committees of the G1 Board are required to be constituted in the same proportion as mentioned below.

As long as the Brookfield REIT holds not less than 50% of the share capital of G1 SPV (on a fully diluted basis), it has the right to nominate two directors to the G1 Board and Reco Cerium has the right to nominate one director to the G1 Board.

In the event the number of directors on the G1 Board is required to be increased, as a result of a change in applicable law, then the Brookfield REIT is entitled to, for as long as it holds not less than 50% of the share capital of G1 SPV (on a fully diluted basis), to nominate the majority of the directors on the G1 Board. If the Brookfield REIT holds less than 50% of the share capital of G1 SPV (on a fully diluted basis), then the Brookfield REIT and Reco Cerium shall have the right to nominate directors on the G1 Board in proportion to their respective shareholding in G1 SPV.

Additionally, each of the Brookfield REIT and Reco Cerium have the right to appoint observers on the G1 Board in proportion to their respective shareholding in G1 SPV and such board observers shall not have any voting rights. Each of the Brookfield REIT and Reco Cerium are entitled to quorum rights for the meetings of the G1 Board, committee and shareholder meetings.

- *Management, development and operations:* G1 SPV will engage MIOP as its property manager in accordance with the terms of the G1 Property Management Agreement. For details of the G1 Property Management Agreement, see “*For G1 Acquisition – G1 Property Management Agreement*” below. Further, in the event G1 SPV undertakes any new development, asset upgrade or redevelopment after the G1 Effective Date, then it shall appoint a member of the Brookfield Group Entities (as defined in the G1 SHA) to act as the identified development manager and the G1 SPV is required to enter into a development management agreement for all such development work with the identified development manager, for a pre-approved fee, on terms and conditions agreed to in writing between G1 SPV with the prior written approval of the Brookfield REIT and Reco Cerium on the one hand and the identified development manager on the other hand.

In the event any action is proposed to be taken against MIOP under the G1 Property Management Agreement or the G1 Income Support Agreement or against the identified development manager under the development management agreement and during the said period for so long as MIOP and/ or the development manager continue to form a part of the Brookfield Group Entities or are an affiliate or subsidiary of Brookfield REIT, owing to the conflict of interest between the Brookfield REIT on one side and MIOP and/ or the development manager on the other, Reco Cerium, being the non-conflicted party, shall have the right, in view of the best interests of G1 SPV and its shareholders, to exercise the rights and remedies of G1 SPV under the respective agreements. However, the aforesaid right available to Reco Cerium will be exercisable only after Reco Cerium has consulted and engaged in good faith discussions with the Brookfield REIT and the G1 Board as to the actions being proposed to be taken under the respective agreements. In case of a difference of opinion between Reco Cerium and the Brookfield REIT or the G1 Board, for so long as MIOP and/ or the development manager are a member of the Brookfield Group Entities or an affiliate or subsidiary of Brookfield REIT, the decision of Reco Cerium on such matter shall prevail and constitute the decision of G1 SPV. However, nothing mentioned above shall be construed to prevent the Brookfield REIT from exercising any rights to bring an action on behalf of G1 SPV against MIOP and/ or the development manager, consistent with the principles of law that apply to derivative actions.

- *Reserved Matters:* The G1 SHA sets out a list of decisions to be taken up by G1 SPV at a meeting of the G1 Board or shareholders only with a prior written consent of both the Brookfield REIT and Reco Cerium. The matters which require such affirmative consent include protective rights customary to transactions of this nature and include, amongst others: (a) entering into related party transactions; (b) any increase, decrease or other alteration in the authorised or paid-up share capital; (c) any incurring of expenditure or liabilities in excess of the thresholds set out in the G1 SHA; (d) any deviations from or amendments to the annual business plan and budget, leasing guidelines and the development budget (as such terms have been defined in the G1 SHA); and (e) undertaking any borrowings or incurring any indebtedness,

excluding in relation to any new facility forming part of the annual business plan and budget or any refinancing in terms of the refinancing guidelines.

The G1 SHA provides for a mechanism for shareholder resolution in the event there is a refusal or failure of either shareholder to grant consent for certain reserved matters (“**Deadlock**”). However, for such time until the Deadlock has not been resolved, the parties to the G1 SHA shall continue to conduct G1 SPV affairs in such a manner as they were being conducted prior to such a Deadlock.

- *Compliance with REIT Regulations:* As long as the G1 SPV is classified as an SPV of Brookfield REIT, Reco Cerium has undertaken to not exercise any of its rights under the G1 SHA in such a manner that would prevent the Brookfield REIT or G1 SPV from complying with the provisions of the REIT Regulations. In case of any inconsistency between the Brookfield REIT’s obligations under the G1 SHA and the REIT Regulations, the latter shall prevail.

For the purpose of preparation of the consolidated financial statements of the Brookfield REIT and submission of the same to the stock exchanges/ Unitholders, as required under applicable law, both the Brookfield REIT and Reco Cerium have agreed that G1 SPV shall provide the financial statements of G1 SPV for the relevant quarter to the Brookfield REIT in a timely manner and in accordance with the provisions set out under the G1 SHA including with respect to preparation, notification and resolution of differences, if any, with respect to the financial statements of G1 SPV.

- *Shareholder Commitment towards reduction of external debt:* On the G1 Effective Date, each of the shareholders shall infuse an amount not exceeding ₹5,000 million (or such reduced amount in accordance with the G1 SHA) in the G1 SPV towards reducing the external indebtedness in G1 SPV (or for such other purposes as will be set forth under the debenture subscription agreement) as mentioned in the G1 SHA, by subscribing to NCDs in the manner set out in the G1 SHA.
- *Transfer restrictions:*
  - (a) At all points in time and other than where the Brookfield REIT is itself in default as identified in the G1 SHA, Reco Cerium is not permitted to transfer any of the G1 Securities held by it to any entity that has been identified as a ‘Brookfield REIT Competitor’ as set out under the G1 SHA.
  - (b) Other than as expressly provided under the G1 SHA, for a period of 24 months from the G1 Effective Date, (a) both the Brookfield REIT and Reco Cerium shall not directly or indirectly sell any of the G1 Securities held by them, without the prior written consent of the other shareholder; and (b) Reco Cerium shall not undergo any change of control, as defined under the G1 SHA, without the prior written consent of Brookfield REIT.
  - (c) After completion of the lock-in period of 24 months both the shareholders are free to transfer the G1 Securities subject to the transfer restrictions set out below:
    - i. if Reco Cerium proposes to directly or indirectly sell all (and not less than all) of its G1 Securities to a third party (not being a ‘Brookfield REIT Competitor’) then it shall offer the Brookfield REIT a right of first offer in accordance with the terms and conditions as set out in the G1 SHA.
    - ii. if the Brookfield REIT proposes to directly sell all (and not less than all) of its G1 Securities to a third party then it is required to offer Reco Cerium a right of first offer and a tag along right in accordance with the terms and conditions as set out in the G1 SHA.
- *Right to tag the property management agreement:* In the event the Brookfield REIT transfers its G1 Securities pursuant to the terms of the G1 SHA, and if an affiliate of the Brookfield REIT is performing the property management services for G1 SPV at that point in time, then the Brookfield REIT shall also have the right to be simultaneously paid the PM Value (as defined in the G1 SHA) for such property management function. Such PM Value (as defined in the G1 SHA) shall be paid, at the request of Reco Cerium, either against the transfer of the securities of the Identified Property Manager (as defined in the G1 SHA) or the assignment of the rights under the property management agreement.

- *Event of Default and Put/ Call options:* The following events have been identified as events of default under the G1 SHA, *inter alia:* (a) breach of certain provisions of the G1 SHA by a shareholder or its affiliates (as defined in the G1 SHA) in relation to, among other things: (I) board meetings, (II) general meetings; (III) rights in subsidiaries; (IV) transfers; (V) reserved matters; (VI) Reco Cerium's Right to Participate (as mentioned under "Other rights and obligations – (a)" below); and (VII) identified provisions of a change in control; (b) wilful default by G1 SPV of the information and access rights under the G1 SHA; (c) failure to treat shareholders alike as to matters concerning distributions by G1 SPV (except as set out in the G1 SHA); (d) occurrence of an insolvency event of a shareholder; (e) any fraud in relation to G1 SPV, its subsidiaries or the business by the shareholders or their affiliates (as defined in the G1 SHA); and (f) fraud or a breach of compliance with provisions relating to financial crimes by (I) the identified property manager under the G1 Property Management Agreement; or (II) the identified development manager under the development management agreement, if such conduct or actions resulting in the fraud or breach benefits or enriches the Brookfield REIT (to the exclusion of G1 SPV and Reco Cerium).

Upon the occurrence of an event of default, which has not been cured within the timelines mentioned in the G1 SHA, the non-defaulting shareholder has, at its discretion, the right to either (a) purchase the G1 Securities of the defaulting shareholder at a price equivalent to 90% of the fair value of the defaulting shareholder's G1 Securities (*Call Option*); or (b) sell all of its G1 Securities to the defaulting shareholder for a price equivalent to 110% of the fair value of the G1 Securities held by the non-defaulting shareholder (*Put Option*).

- *Right to buy-sell:* So long as (a) the Brookfield REIT or any member of the Brookfield Group Entities, and (b) Reco Cerium or members of the Investor Group (as defined under the G1 SHA) are shareholders in both G1 SPV and Downtown Powai SPV, in the event of issuance of an event of default notice by either of the above parties pursuant to terms of the Downtown Powai SHA, then the party who has triggered such an event of default will also have the right to require either all its G1 Securities to be bought by the defaulting party or all of G1 Securities held by the defaulting party to be sold to such triggering party. For this, the defaulting party shall determine a price for the transfer of the securities which shall be range bound within the regulatory price, and the non-defaulting party shall have the ability to choose to buy or sell the securities of G1 at such price.
- *Information and Access Rights:* The shareholders of G1 Candor are entitled to receive, among others: (a) the un-audited quarterly financial statements and the audited financial statements, both on a standalone and consolidated basis, (b) annual and quarterly internal audit reports, (c) minutes of all G1 Board, its committees and shareholder meetings, and (d) information with respect to the commencement of any material proceedings within the timelines prescribed in the G1 SHA, as applicable. Additionally, the shareholders are also entitled to inspect the books and accounts, the premises, properties and contracts of G1 SPV.
- *Other rights and obligations:* G1 SHA also provides for certain other rights and obligations of the shareholders of the G1 SPV which include, (a) an undertaking from the Brookfield REIT to provide Reco Cerium the ability to acquire or invest certain stake, alongside Brookfield REIT, in real estate opportunities around Candor Techspace G1 meeting certain parameters as detailed out in and in accordance with the G1 SHA, (b) Reco Cerium having the right to require a joint sale of all of G1 Securities if SEBI (or any appellate authority appointed under the SEBI Act having jurisdiction over a REIT or SPV), imposes a sanction against the Brookfield REIT or the G1 SPV and which order has a material adverse effect on the G1 SPV, provided that the Brookfield REIT has not managed to procure a stay on such order or have it set aside or resolved in the manner set out in the G1 SHA within five months, (c) if Reco Cerium continues to be a shareholder of the G1 SPV after seven years from the G1 Effective Date, then for a period of two years, the shareholders shall make reasonable endeavors in good faith to procure an exit for Reco Cerium by way of a stake swap in the manner set out in the G1 SHA, and (d) upon the Brookfield REIT undergoing a Change in Control (as defined under the G1 SHA (which is linked to the ownership of the manager and sponsor)), other than in favour of an entity forming part of the Agreed Whitelist (as set out in the G1 SHA), Reco Cerium having the right to require all of its G1 Securities to either be bought by the Brookfield REIT or all of the G1 Securities held by the Brookfield REIT to be sold to it.
- *Termination of the G1 SHA:* The G1 SHA may be terminated (a) by mutual consent of the parties in writing; (b) automatically, upon termination of the G1 REIT SSPA and the Reco Cerium SPA; or (c) with respect to a shareholder, with immediate effect upon such shareholder and its affiliates ceasing to hold

any G1 Securities, provided that such termination will not affect the rights and obligations of any person who has acquired securities or who has been assigned certain rights in accordance with the G1 SHA.

- *Relook*: In the event that ‘Completion’ under the Reco Cerium SPA does not occur, solely as a result of termination of the G1 REIT SSPA on or before the Long Stop Date (as defined in the Reco Cerium SPA), and Reco Cerium has not terminated or called an event of default under the Reco Cerium SPA prior to such termination and subsequently, at any time within the next 12 months following such termination, the Brookfield REIT proposes to acquire 50% interest in G1 SPV along with a joint venture partner to acquire the remaining 50% interest, then it shall first offer Reco Cerium the right to acquire 50% interest in G1 SPV on the same commercial terms as those acceptable to Brookfield REIT.
- The G1 SHA envisages certain rights and obligations of both shareholders which the respective shareholders may transfer to their respective assignees.

#### IV. G1 Interim SHA

Brookfield REIT, BSREP IOH II and G1 SPV propose to enter into the G1 Interim SHA to record their *inter-se* rights and obligations as shareholders of G1 SPV and the terms of management and governance of G1 SPV if ‘Completion’ (as defined under the Reco Cerium SPA) does not occur simultaneously with ‘Completion’ under the G1 REIT SSPA. The provisions in the G1 Interim SHA will come into effect upon execution of the G1 Interim SHA.

The key terms of the G1 Interim SHA are as follows:

- *Board and committee composition, board nominee and observer rights*: The G1 Board shall comprise a total of three directors or such other number of directors as may be mutually agreed to between the Brookfield REIT and BSREP IOH II. Further, the committees of the G1 Board are required to be constituted in the same proportion as the G1 Board as mentioned above. As long as the Brookfield REIT holds not less than 50% of the share capital of G1 SPV (on a fully diluted basis), it has the right to nominate majority directors to the G1 Board. Additionally, the Brookfield REIT and BSREP IOH II shall have the right to appoint observers to the G1 Board in proportion to their shareholding in the G1 SPV.
- *Compliance with REIT Regulations*: Subject to G1 SPV being classified as an SPV of Brookfield REIT, BSREP IOH II has undertaken to not exercise any of its rights under the G1 Interim SHA in such a manner that would prevent the Brookfield REIT or G1 SPV from complying with the provisions of the REIT Regulations, and in case of any inconsistency between the terms agreed under the G1 Interim SHA and Brookfield REIT’s obligations under the REIT Regulations, the latter shall prevail.
- *Transfer restrictions*: Each of the shareholders shall be permitted to transfer all, but not less than all of the securities held by them, to any third parties without the consent of the other shareholder, subject to execution of a deed of adherence. Further, in the event ‘Completion’ under the Reco Cerium SPA does not occur within the ‘Long Stop Date’ (as defined in the Reco Cerium SPA), then the Brookfield REIT (either itself or through its Holding Company, SPV or affiliate, subject to compliance with applicable law) shall have the right (but not the obligation), subject to receipt of unitholder and other consents and approvals, as may be required, to purchase the remaining 50% of the share capital (on a fully diluted basis) of G1 SPV from BSREP IOH II such that the Brookfield REIT owns 100% of the share capital (on a fully diluted basis) of the G1 SPV. The Brookfield REIT shall have the ability to exercise such right to purchase the remaining 50% of the share capital (on a fully diluted basis) of G1 SPV from BSREP IOH II within a period not exceeding six months (or such other period as may be mutually agreed between the Brookfield REIT and BSREP IOH II) from the date of execution of the G1 REIT SSPA.
- *Information Rights*: In addition to such other information as the Brookfield REIT and BSREP IOH II are entitled to obtain under applicable law, the Brookfield REIT and BSREP IOH II are entitled to reasonably request for such additional information as may be required by them, from time to time.

*Termination of the G1 Interim SHA*: The G1 Interim SHA may be terminated (a) by mutual consent of the parties in writing; (b) automatically, upon termination of the G1 REIT SSPA; (c) automatically, without any further action, one day prior to the ‘Completion Date’ (as defined under the Reco Cerium SPA); or (d) with respect to a shareholder, with immediate effect upon such shareholder and its affiliates ceasing to hold any securities in G1 SPV, provided that such termination will not affect the rights and obligations of any person.

#### V. G1 Debenture Subscription Agreement

Brookfield REIT, Reco Iris (together, the “**G1 Subscribers**”), G1 SPV and BSREP IOH II, have entered into the G1 Debenture Subscription Agreement dated May 18, 2023, for the issuance and allotment of 300,000 unlisted non-convertible debentures with a face value of ₹1,000 each by G1 SPV to the Brookfield REIT and Reco Iris, respectively, in consideration for the Subscription Consideration (*as defined in the G1 Debenture Subscription Agreement*), amounting to ₹300 million each, subject to ‘Completion’ (*as defined under the Reco Cerium SPA*) and such other terms conditions, set out therein.

The Subscription Consideration shall be utilized by G1 SPV towards payment of interest/ coupon on CCDs held by BSREP IOH II.

The obligation of each G1 Subscriber to proceed to Completion (*as defined under the G1 Debenture Subscription Agreement*) shall be conditional upon the fulfilment of the certain conditions by G1 SPV as prescribed under the G1 Debenture Subscription Agreement, each to the satisfaction of the G1 Subscribers, acting reasonably.

#### *Term and Termination*

The G1 Debenture Subscription Agreement shall stand terminated prior to Completion (*as defined under the G1 Debenture Subscription Agreement*) in the event any of the following were to occur: (i) automatically, upon the termination of the G1 Securities Purchase Agreements; or (ii) upon mutual agreement of the G1 Sellers and the G1 Subscribers; or (iii) at the option of the party who is not in default of its obligations, any failure by a party to comply with or non-performance of its obligations under the G1 Debenture Subscription Agreement at Completion (*as defined in the G1 Debenture Subscription Agreement*).

#### *VI. G1 Property Management Agreement*

Further, in relation to the details of the operating services to be provided to G1 SPV, please see “*Management Framework – Management Framework for the Target SPVs*” on page 227.

### ***Description of the MIOP Acquisition***

In relation to the acquisition of G1 SPV, the Brookfield REIT (either directly or through its Holding Company, SPV or affiliate subject to compliance with applicable law) also proposes to acquire 100% of the share capital of MIOP (on a fully diluted basis) from the MIOP Shareholders. Upon termination of the G1 Income Support Agreement, the Brookfield REIT has the right to require the MIOP Shareholders to sell 100% of the share capital of MIOP (on a fully diluted basis) to the Brookfield REIT and the MIOP Shareholders also have the right to require the Brookfield REIT to acquire 100% of the share capital of MIOP (on a fully diluted basis) from the MIOP Shareholders, in each case for a consideration of ₹1,504 million, exercisable no later than 30 months from the 'Commencement Date' (as defined under the G1 Income Support Agreement), in accordance with the provisions of the MIOP Option Agreement disclosed below.

The acquisition price for the MIOP Acquisition is ₹1,504 million.

No acquisition fee is payable to the Manager for the MIOP Acquisition

Pursuant to Regulation 19(5)(b)(i) of the REIT Regulations and the policy on related party transactions adopted by the Manager on behalf of the Brookfield REIT, the Unitholders have approved the MIOP Acquisition pursuant to a resolution dated June 12, 2023 in accordance with Regulation 22(5) of the REIT Regulations.

### ***MIOP Option Agreement***

In relation to the acquisition of G1 SPV, the Brookfield REIT proposes to acquire 100% of shareholding in MIOP from the MIOP Shareholders in accordance with the provisions of the MIOP Option Agreement entered into between MIOP, the Brookfield REIT (acting through its Manager), the Manager and the MIOP Shareholders dated May 18, 2023. The MIOP Option Agreement is effective from the date of its execution.

In accordance with the MIOP Option Agreement: (i) the Brookfield REIT has the right to require the MIOP Shareholders to sell 100% of the share capital of MIOP (on a fully diluted basis) to the Brookfield REIT (either directly or through its Holding Company, SPV or affiliate subject to compliance with applicable law), for a consideration of ₹1,504 million ("**Call Option**"); and (ii) the MIOP Shareholders also have the right to require the Brookfield REIT (either directly or through its Holding Company, SPV or affiliate subject to compliance with applicable law) to acquire 100% of the share capital of MIOP (on a fully diluted basis) from the MIOP Shareholders for a consideration of ₹ 1,504 million ("**Put Option**").

Upon termination of the G1 Income Support Agreement, the Brookfield REIT shall have the right to exercise the Call Option and the MIOP Shareholders shall have the right to exercise the Put Option, exercisable no later than 30 months from the 'Commencement Date' (as defined under the G1 Income Support Agreement), in accordance with the provisions of the MIOP Option Agreement.

The MIOP Option Agreement can be terminated by the mutual consent of the parties in writing and shall automatically terminate upon (a) termination of the G1 REIT SSPA as a result of Completion (as defined in the G1 REIT SSPA) not having occurred on or by the Long Stop Date (as defined in the G1 REIT SSPA); or (b) on account of the Brookfield REIT not having obtained the necessary approvals from its Unitholders for acquisition of G1 SPV and MIOP as envisaged under the G1 REIT SSPA; or (c) upon the expiry of 30 months from the 'Commencement Date' as defined under the G1 Income Support Agreement, in the event neither of the Brookfield REIT or the MIOP Shareholders have issued the exercise notice under the MIOP Option Agreement.

## THE BOARD AND MANAGEMENT OF OUR MANAGER

The corporate governance framework with respect to the Brookfield REIT is implemented by our Manager.

In accordance with the REIT Regulations, in addition to the applicable provisions of the Companies Act, not less than 50% of our Board shall comprise independent directors and such independent directors should not be directors on the board of directors of, or members of the governing board of the manager of another REIT registered pursuant to the REIT Regulations. The independence of the directors shall be determined in accordance with the parameters applicable to the board of directors of a company in accordance with the Companies Act and REIT Regulations and would be determined *vis-a-vis* our Manager, our Sponsor and our Portfolio Companies. As on the date of this Preliminary Placement Document, our Board is compliant with the aforementioned requirement.

As on the date of this Preliminary Placement Document, our Board of Directors comprises six directors of which three directors are independent. Such directors are not on the board of directors of the manager of another REIT. Accordingly, the present composition of our Board is in accordance with the corporate governance requirements provided under the REIT Regulations and Companies Act, as applicable.

### *Board of Directors of the Manager*

The board of directors of the Manager is entrusted with the responsibility for the overall management of the Manager. The table below sets out details of the board of directors of the Manager.

S. No.	Name	DIN
<i>Independent Directors</i>		
1.	Akila Krishnakumar	06629992
2.	Shailesh Vishnubhai Haribhakti	00007347
3.	Rajnish Kumar	05328267
<i>Non-executive Directors</i>		
1.	Anuj Ranjan	02566449
2.	Ankur Gupta	08687570
3.	Thomas Jan Sucharda	10084995

### *Brief Profiles of the Directors of the Manager*

#### **Akila Krishnakumar**

*(Independent Director)*

Akila Krishnakumar is an independent director of our Manager. She holds a master's degree in management studies from the Birla Institute of Technology & Science at Pilani, Rajasthan. She was previously the president - global technology and country head – India for SunGard Solutions (India) Private Limited. She is an experienced professional with a long industry standing, including over 18 years of experience in the field of technology. She is currently on the board of Matrimony.Com Limited, IndusInd Bank Limited, Hitachi Energy India Limited and Bharat Financial Inclusion Limited.

#### **Shailesh Vishnubhai Haribhakti**

*(Independent Director)*

Shailesh Vishnubhai Haribhakti is an independent director of our Manager. He is a fellow of the Institute of Chartered Accountants of India, a certified internal auditor with the Institute of Internal Auditors Inc., a certified financial planner registered with the Financial Planning and Standards Board of India, an associate of the Institute of Cost and Work Accountants of India, and an associate member with the Association of Certified Fraud Examiners. He is an experienced professional in the field of finance and accounting. He is also currently the chairman of Blue Star Limited and on the board of directors of L&T Finance Holdings Limited, Bajaj Electricals Limited.

#### **Rajnish Kumar**

*(Independent Director)*

Rajnish Kumar is an independent director of our Manager. He holds a master of science degree in physics from Meerut University and is a certified associate of the Indian Institute of Bankers (CAIIB). He has previously served

as the chairman of the State Bank of India and been associated with the State Bank of India for 40 years. He is currently the director on the board of Resilient Innovations Private Limited (BharatPe), chairman of the board of governors of the Management Development Institute, Gurugram and is serving as an independent director on the board of directors of HSBC Asia Pacific Holdings UK Limited, Hero Motocorp Limited, Ambuja Cement Limited and Lighthouse Committees Foundation.

**Anuj Ranjan**

*(Non-executive Director)*

Anuj Ranjan is currently a non-executive director of our Manager. Anuj is a part of the senior leadership of Brookfield Group and is the President of Brookfield's private equity business and global head of Business Development and is responsible for Brookfield's private equity investments and operations and leads coordination and building relationships with larger companies and families globally. He also established Brookfield's India and Middle East operations. He holds a master's degree in business administration from the University of Western Ontario. He joined the Brookfield Group in 2006 and has held various positions in the organisation over the years.

**Ankur Gupta**

*(Non-executive Director)*

Ankur Gupta is currently a non-executive director of our Manager. Ankur is a managing partner and head of Asia Pacific and Middle East for Brookfield's real estate group and country head for Brookfield in India. In these roles, he oversees all of Brookfield's activities in India and is responsible for investment activities and growth for Brookfield's real estate business in Asia Pacific and Middle East. He holds a bachelors' degree in technology (chemical engineering) from the Indian Institute of Technology, Bombay and has a master's degree in business administration from the Columbia University, New York. Ankur joined the Brookfield Group in 2012 and has worked on Brookfield Property Group's transactions spanning across India and North America.

**Thomas Jan Sucharda**

*(Non-executive Director)*

Thomas Jan Sucharda is currently a non-executive director of our Manager. Jan is the managing partner and the global head of office at Brookfield's real estate group and is also responsible for providing oversight and strategic direction to Brookfield Group's global office portfolio. He holds a bachelors degree in sciences from Queen's University, Kingston, and a masters degree in business administration from York University, Toronto. He joined the Brookfield Group in 2005 and has held several leadership roles across the organization including global president and chief operating officer, office division, Brookfield Properties and president and chief executive officer of Brookfield Canada Office Properties.

***Brief profiles of the key personnel of our Manager***

In accordance with the REIT Regulations, the two key personnel of our Manager, being Alok Aggarwal and Sanjeev Kumar Sharma, each have more than five years' experience in property management in the real estate industry/ in development of real estate. Their brief profiles are set out below:

**Alok Aggarwal**

Alok Aggarwal is the chief executive officer of our Manager. He holds a bachelors' degree in technology in civil engineering from the Indian Institute of Technology, Delhi and has obtained a post graduate degree in management from the Indian School of Business, Hyderabad. He heads all aspects of the business of our Manager including design, development, strategic initiatives, finance, corporate strategy, leasing and tenant relationships. He has over 30 years of experience in managing projects, business development and overseeing operations and investments of entities in the real estate sector. Prior to joining the Brookfield Group, he has worked at Milestone Capital Advisors Limited, Sun-Ares India Real Estate Advisors Private Limited, DLF Universal Limited, TCG Urban Infrastructure Holdings Limited and Mahindra Gesco Developers Limited.

**Sanjeev Kumar Sharma**

Sanjeev Kumar Sharma is the executive vice president and chief financial officer of our Manager. He holds a bachelors' degree in commerce from the University of Delhi and is a chartered accountant with the Institute of



Chartered Accountants. He has previously worked at Apollo Tyres Limited, Galaxy Mercantile Private Limited (currently owned by Embassy Office Parks REIT), JK Paper Limited, ICICI Bank Limited, Quippo Construction Equipment Limited and BPTP Limited. He has over 27 years of experience in finance, accounts and taxation. At our Manager, he heads various aspects of finance including fund raising, mergers and acquisitions, business strategy, investor relations, reporting under accounting standards, controllership, budgeting and taxation.

***Brief profiles of other members of the core team of our Manager***

**Reema Kundnani**

Reema Kundnani is the senior vice president – marketing and branding at our Manager. She holds a bachelor’s degree in engineering from Thadomal Shahani Engineering College, University of Mumbai. She has over 25 years of experience in marketing and, brand strategy and is responsible for driving brand awareness, corporate communications and placemaking initiatives for the Brookfield Group’s office and retail properties in the country. Prior to joining our Manager, she has previously worked at Oberoi Realty Limited and Mahindra Satyam – Satyam Computer Services Limited. She has been recognized as the “50 Most Talented CMOs of India” by CMO Council.

**Pawan Kakumanu**

Pawan Kakumanu is the senior vice president, heading the strategic finance function at our Manager. He holds a bachelor’s degree of technology in mining engineering from IIT Dhanbad and masters in business administration in finance and operations from IIM Lucknow. He has over 16 years of experience in finance and he oversees the organization's financial strategy, including corporate restructuring and acquisitions as well as investor relations. Prior to joining our Manager, he has previously worked with prominent organizations such as the Phoenix Mills Limited, MF Global, HDFC Securities, Alchemy Share and Stock Brokers and Goldman Sachs.

**Ruhi Goswami**

Ruhi Goswami is the vice president and general counsel at our Manager. She holds a bachelor’s degree in commerce (hons.) from the Shri Ram College of Commerce, University of Delhi, a bachelor’s degree in law from the Campus Law Centre, Faculty of Law, University of Delhi and a bachelor’s in civil law from the St. Catherine’s College, University of Oxford. Prior to joining our Manager, she has previously worked at Shardul Amarchand Mangaldas & Co and Brookfield Advisors India Private Limited. She has over nine years of experience in the field of law.

**Garima Mishra**

Garima Mishra is the senior vice president - human resources at our Manager. She holds a bachelor's degree in science from Chatrapathi Shahu Ji Maharaj University, Kanpur and a post graduate diploma in business administration in human resources from K J Somaiya Institute of Management Studies & Research. She has over 20 years of experience in the banking and technology industry, and has previously been associated with ICICI Bank, HSBC Bank and DBS Bank.

**Saurabh Jain**

Saurabh Jain is the Compliance Officer of our Manager. He holds a bachelor’s degree in commerce from Panjab University, a bachelor’s degree in law from Chaudhary Charan Singh University, Meerut and is a qualified company secretary and an associate member of the Institute of Company Secretaries of India. He has over 17 years of experience and has previously worked with Lumax Industries Limited, Escorts Limited, GMR Group – Delhi International Airport (P) Limited and Deora Associates Private Limited.

## MANAGEMENT FRAMEWORK

### *Management Framework for the Portfolio*

Pursuant to the Investment Management Agreement, Brookprop Management Services Private Limited has been appointed as the manager of the Brookfield REIT to manage the assets and investments of the Brookfield REIT and undertake the operational activities of the Brookfield REIT.

Under Regulation 10(4) of the REIT Regulations, the manager is required to undertake the management of the REIT assets including, among others, lease management, maintenance of the assets, regular structural audits, regular safety audits, etc. either directly or through the appointment and supervision of appropriate agents. Our Manager is responsible for the supervision of third-party service providers through its representatives on the board of directors of our Asset SPVs.

Key details of the current management framework of our Portfolio are set forth below:

### **Operational Services**

For providing the Operational Services to our Candor Asset SPVs, (i) the Candor Amended and Restated Transition, Operations and Maintenance Agreements have been executed between CIOP and each of Candor Kolkata and SPPL Noida, respectively, and (ii) the Transition, Operations and Maintenance Agreement has been executed between CIOP and SDPL Noida.

The key terms of the Candor Amended and Restated Transition, Operations and Maintenance Agreements and the Transition, Operations and Maintenance Agreement are set below:

#### Scope of services

The scope of the Operational Services provided by CIOP covers property management services, facility management services and support services, which include (i) accounting services; (ii) procurement of materials and services; (iii) supervision of annual maintenance contracts and insurance; (iv) transition, operations, supervision of repairs and maintenance of the complex located in our Candor Assets; and (v) legal, secretarial and compliance services.

The Operational Services may be provided either by CIOP or through any third parties such as accountants, facilities managers, architects, technical consultants and contractors directly appointed by CIOP or at its request, by our Candor Asset SPVs. Further, CIOP may, at its sole discretion, sub-contract any or all of the services to any person as it may deem fit at its own costs and expenses.

In addition to being responsible for fulfilling its obligations in relation to the services under the Candor Amended and Restated Transition, Operations and Maintenance Agreements and the Transition, Operations and Maintenance Agreement, CIOP is also solely responsible for the management of the third parties and is required to assist and oversee the work done by them.

#### Fee

In consideration for discharging the Operational Services, CIOP is entitled to a monthly fee calculated on the basis of the leasable area of the complex located in our respective Candor Assets, exclusive of applicable taxes, as set out in the Candor Amended and Restated Transition, Operations and Maintenance Agreements and the Transition, Operations and Maintenance Agreement.

Further, additional services may be provided by CIOP to our Candor Asset SPVs for an additional fee as may be agreed upon between them. CIOP shall also be entitled to be reimbursed by our Candor Asset SPVs for expenses that are incurred by it in rendering the Operational Services upon submission of all receipts of such expenses.

#### Term and termination

The Candor Amended and Restated Transition, Operations and Maintenance Agreements came into effect on February 16, 2021 and the Transition, Operations and Maintenance Agreement came into effect on January 24, 2022 and are valid and binding unless terminated in accordance with the terms below.

The Candor Amended and Restated Transition, Operations and Maintenance Agreements and the Transition, Operations and Maintenance Agreement shall only be terminated in any of the following circumstances:

1. by mutual consent of the parties in writing; or
2. by any of our Candor Asset SPVs delivering to CIOP a prior written notice, of at least 30 days, of its intention to terminate the respective Candor Amended and Restated Transition, Operations and Maintenance Agreement or the Transition, Operations and Maintenance Agreement, as applicable.

In the event of termination of either the Candor Amended and Restated Transition, Operations and Maintenance Agreements or the Transition, Operations and Maintenance Agreement, CIOP is entitled to receive the fee payable to it, up to the date of termination.

### **Candor Amended and Restated Service Agreement**

The Candor Amended and Restated Service Agreement has been executed between the Property Manager, CIOP and our Manager for providing real estate operating services to CIOP in relation to the Operational Services rendered by it with respect to our Candor Assets. In accordance with this agreement and to enable it to perform its duties and obligations under the REIT Regulations, our Manager, shall have the power to direct the Property Manager to take such actions, which it determines to be beneficial to the operation of CIOP and the right to request for documents and other information from the Property Manager, as required by it. Further, pursuant to the Candor Amended and Restated Service Agreement, the amended and restated service agreement dated December 1, 2020 and the amendment agreement dated February 11, 2022 entered into between our Manager and CIOP were terminated.

The key terms of the Candor Amended and Restated Service Agreement are set below:

#### Scope of services

The scope of the services under the Candor Amended and Restated Service Agreement includes:

1. assisting CIOP in strategic decision-making processes, for matters relating to our Candor Assets;
2. provision of senior management and related services to CIOP to augment the Operational Services provided by CIOP to our Candor Assets;
3. overall supervision of the Operational Services provided by CIOP to the various properties including our Candor Assets;
4. forecasting and business planning/ business strategy services; and
5. supervision of accounting, legal, secretarial and compliance services provided as part of the Operational Services provided by CIOP.

Our Property Manager may, at its sole discretion, sub-contract any or all of the services to any person as it may deem fit, at its own costs and expenses. Our Property Manager is solely responsible for the fulfilment of the obligations in connection with the real estate operating services, whether the same are performed directly by it or indirectly through a third-party contractor, in accordance with the Candor Amended and Restated Service Agreement.

#### Fee

Our Property Manager is entitled to a yearly fee of 3% of the income from operating lease rentals as recorded in the books of accounts of our respective Candor Asset SPVs, payable on a monthly basis, exclusive of applicable taxes.

Also, additional services may be provided by our Property Manager to CIOP for an additional fee as may be agreed upon between them. Our Property Manager is also entitled to be reimbursed by CIOP for expenses that are incurred by it in rendering the real estate operating services upon submission of all receipts of such expenses to CIOP.

Term and termination

The Candor Amended and Restated Service Agreement came into effect on April 1, 2023 and is valid and binding unless terminated in accordance with the terms below.

The Candor Amended and Restated Service Agreement shall only be terminated by either party by delivering to the other party a prior written notice, of at least 90 days, of its intention to terminate the Candor Amended and Restated Service Agreement.

In the event of termination of the Candor Amended and Restated Service Agreement, our Property Manager is entitled to receive the fee payable to it, up to the date of termination.

**Festus Service Agreement**

The Festus Service Agreement has been executed between our Property Manager, Festus and our Manager for providing real estate operating services to Festus in relation to the management and operation of the Kensington and any other properties developed by Festus from time to time (“**Festus Properties**”). In accordance with this agreement and to enable it to perform its duties and obligations under the REIT Regulations, our Manager, shall have the power to direct the Property Manager to take such actions, which it determines to be beneficial to the operation of Festus and the right to request for documents and other information from the Property Manager, as required by it. Further, pursuant to the Festus Service Agreement, the amended and restated service agreement dated December 1, 2020 and the amendment agreement dated February 11, 2022 entered into between our Manager and Festus were terminated.

Separately, Festus houses the employees that are responsible for, among other things, property management and facility management services with respect to the administration and operation of Festus Properties.

The key terms of the Festus Service Agreement are set below:

*Scope of Services*

The scope of the services under the Festus Service Agreement includes:

1. assisting Festus in strategic decision-making processes, for matters relating to the Festus Properties;
2. provision of senior management and related services to Festus to assist it in the project management of the Festus Properties;
3. overall supervision of the property management and development management services undertaken in relation to the Festus Properties, including supervision of (i) architectural and structural designs; (ii) approvals; (iii) construction; (iv) project management; (v) fit-outs; (vi) handover to tenants; (vii) mechanical, electrical and plumbing facade and landscaping proper; and (viii) ensuring completion of the project;
4. forecasting and business planning/ business strategy services; and
5. supervision of accounting, legal, secretarial and compliance activities as required by Festus.

Our Property Manager may, at its sole discretion, sub-contract any or all of the services to any person as it may deem fit, at its own costs and expenses. Our Property Manager is solely responsible for the fulfilment of the obligations in connection with the real estate operating services in accordance with the Festus Service Agreement.

Fee

In consideration for discharging the real estate operating services, our Property Manager is entitled to a yearly fee of 3% of the income from operating lease rentals as recorded in the books of accounts of Festus, payable on a monthly basis, exclusive of applicable taxes.

Also, additional services may be provided by our Property Manager to Festus for an additional fee as may be agreed upon between them. Our Property Manager shall also be entitled to be reimbursed by Festus for expenses that are incurred by it in rendering the real estate operating services upon submission of all receipts of such expenses to Festus.

Term and termination

The Festus Service Agreement came into effect on April 1, 2023 and is valid and binding unless terminated in accordance with the terms below.

The Festus Service Agreement shall only be terminated by either party by delivering to the other party a prior written notice, of at least 90 days, of its intention to terminate the Festus Service Agreement.

In the event of termination of the Festus Service Agreement, our Property Manager is entitled to receive the fee payable to it, up to the date of termination.

**Development Management Services**

Under the terms of the Investment Management Agreement, our Manager may also provide development management services to the Brookfield REIT.

**Management Framework for the Target SPVs**

Key details of the management framework of the Target SPVs, are set forth below

**Downtown Powai Property Management Agreement**

CIOP, and Downtown Powai SPV have entered into an agreement dated May 18, 2023 (“**Downtown Powai Property Management Agreement**”) appointing CIOP to provide real estate operating services in relation to the leasing, management and operations of Downtown Powai SPV and administration of its functions, from time to time.

The key terms of the Downtown Powai Property Management Agreement are set below:

Scope of services

The scope of the services to be provided by CIOP under the Downtown Powai Property Management Agreement, in accordance with (i) the annual business plan and budget; (ii) the leasing guidelines; and (iii) in compliance with applicable laws, includes:

1. assisting Downtown Powai SPV in strategic decision-making processes, for matters relating to Downtown Powai;
2. providing senior management and related services to Downtown Powai SPV to assist in the project management of Downtown Powai;
3. overall supervision of the property management and development management services, designs, approvals, fit-outs, handover to tenants and ensuring maintenance of Downtown Powai;
4. forecasting and business planning/ business strategy services including preparing draft annual business plan and budget for Downtown Powai SPV for the upcoming financial year (in accordance with the provisions of the Downtown Powai SHA), overseeing the preparation of a marketing plan, supervising the management of any un-invested cash;
5. accounting, legal, secretarial and compliance services and overseeing the progress of litigation with the concerned departments in relation to disputes pertaining to the Downtown Powai SPV or Downtown Powai;
6. undertaking general monitoring and inspection and supervision of repairs and maintenance of Downtown Powai; and
7. providing assistance, information and documents as required under the Downtown Powai SHA to the extent in control of CIOP, adhering to the requirements as to distributions to the shareholders of Downtown Powai SPV and rendering all required assistance to valuers appointed under the Downtown Powai SHA in relation to valuation exercise.

CIOP may, at its sole discretion, sub-contract any or all of the services to any person as it may deem fit, at its own costs and expenses. CIOP will be solely responsible for the fulfilment of its obligations under the Downtown Powai

Property Management Agreement, whether the same are performed directly by it or through a third-party contractor, in accordance with the Downtown Powai Property Management Agreement.

Fee

In consideration for discharging the services, CIOP shall be entitled to a yearly fee of 4.8% of the income from operating lease rentals as recorded in the books of accounts of Downtown Powai SPV, exclusive of applicable goods and services taxes.

Further, additional services may be provided by CIOP for an additional fee as may be agreed upon between the parties. CIOP shall also be entitled to be reimbursed by Downtown Powai SPV for expenses that are incurred by it in rendering the services (to the extent such reimbursement is contemplated in the annual business plan and budget) upon submission of all receipts of such expenses.

Indemnity

CIOP is obligated to indemnify Downtown Powai SPV against any direct and actual losses resulting from the breach of the Downtown Powai Property Management Agreement and certain other specified events, in accordance with the provisions of the Downtown Powai Property Management Agreement. Except in respect of losses arising out of Fraud, Willful Misconduct and FCC Laws Breach (*each as defined under the Downtown Powai Property Management Agreement*), the liability of CIOP is subject to a *de minimis* threshold and aggregate cap amount as set out in the Downtown Powai Property Management Agreement.

Reporting Requirements

CIOP is required to periodically prepare and provide certain documents such as the audited annual financial statements, quarterly asset report and valuation reports, in accordance with the timelines set forth under the Downtown Powai Property Management Agreement.

Term and termination

Except for certain provisions in the Downtown Powai Property Management Agreement such as definitions, representations and warranties, confidentiality and dispute resolution, which will come into effect upon execution of the Downtown Powai Property Management Agreement, the terms of the Downtown Powai Property Management Agreement will become effective and binding from the completion date as defined under the Downtown Powai Securities Purchase Agreements. The Downtown Powai Property Management Agreement shall be effective on and from the effective date as mentioned above until such time that it is termination in accordance with the Downtown Powai Property Management Agreement.

The Downtown Powai Property Management Agreement may be terminated by mutual consent of the parties in writing or upon occurrence of any of the following instances:

1. by Downtown Powai SPV in the event:
  - a. continuation of a force majeure event, as defined under the Downtown Powai Property Management Agreement, for a period of 180 days from the date on which CIOP issues a notice to Downtown Powai SPV of the occurrence of such force majeure event;
  - b. Brookfield REIT, together with its affiliates or any member of the Brookfield Group, ceases to hold at least 25% of the equity share capital in Downtown Powai SPV unless Brookfield REIT has assigned its right to appoint the property manager, in accordance with the terms of the Downtown Powai Property Management Agreement;
  - c. CIOP ceases to be controlled by the Brookfield Group unless Brookfield REIT has assigned its right to appoint the property manager, in accordance with the terms of the Downtown Powai Property Management Agreement;
  - d. Brookfield REIT undergoes a REIT CIC (*as defined under the Downtown Powai SHA*) and it has nominated another person to provide property management services to Downtown Powai SPV, as set out under the Downtown Powai Property Management Agreement;

- e. Brookfield REIT undergoes any indirect Change in Control (*as defined under the Downtown Powai SHA*) and it has not nominated another person to provide property management services to Downtown Powai, as set out under the Downtown Powai Property Management Agreement;
  - f. occurrence of a Cause Termination Event, in accordance with the Downtown Powai Property Management Agreement;
  - g. an insolvency event, as defined under the Downtown Powai Property Management Agreement, with respect to CIOP occurs; or
  - h. CIOP is restricted or prohibited from providing the real estate operating services, in accordance with the Downtown Powai Property Management Agreement; or
2. By CIOP in the event:
- a. an insolvency event, as defined under the Downtown Powai Property Management Agreement, with respect to Downtown Powai SPV occurs;
  - b. failure by Downtown Powai SPV to pay the fees due and payable to CIOP, only where such non-payment continues for a period of 60 days following the issuance of a notice by CIOP demanding payment of the said fee.

### **G1 Property Management Agreement**

MIOP, an entity forming part of the Brookfield Group, and G1 SPV have entered into an agreement dated May 18, 2023 (“**G1 Property Management Agreement**”) appointing MIOP to provide real estate operating services in relation to the leasing, management and operations of Candor Techspace G1 and administration of the G1 SPV’s functions, from time to time.

The key terms of the G1 Property Management Agreement are set below:

#### Scope of services

The scope of the services to be provided by MIOP under the G1 Property Management Agreement, in accordance with (i) the annual business plan and budget; (ii) the leasing guidelines; and (iii) in compliance with applicable laws, *inter alia* includes:

1. assisting G1 SPV in strategic decision-making processes, for matters relating to Candor Techspace G1;
2. providing senior management and related services to G1 SPV to assist in the project management of G1 SPV;
3. overall supervision of the property management and development management services, designs, approvals, fit-outs, handover to tenants and ensuring maintenance of Candor Techspace G1;
4. forecasting and business planning/ business strategy services including preparing draft annual business plan and budget for G1 SPV for the upcoming financial year (in accordance with the provisions of the G1 SHA), overseeing the preparation of a marketing plan, supervising the management of any un-invested cash;
5. accounting, legal, secretarial and compliance services including overseeing the progress of litigation with the concerned departments in relation to disputes pertaining to G1 SPV or Candor Techspace G1;
6. undertaking general monitoring and inspection and supervision of repairs and maintenance of Candor Techspace G1; and
7. providing assistance, information and documents as required under the G1 SHA to the extent in control of MIOP, adhering to the requirements as to distributions to the shareholders of G1 SPV in accordance with the terms of the G1 SHA and rendering all required assistance to valuers appointed under the G1 SHA in relation to valuation exercise.

MIOP may, at its sole discretion, sub-contract any or all of the services to any person as it may deem fit, at its own costs and expenses. MIOP will be solely responsible for the fulfilment of its obligations under the G1 Property

Management Agreement, whether the same are performed directly by it or through a third-party contractor, in accordance with the G1 Property Management Agreement.

Fee

In consideration for discharging the services, MIOP shall be entitled to a monthly fee, exclusive of applicable taxes, calculated in accordance with the methodology set forth under the G1 Property Management Agreement. The fees payable is subject to an annual escalation of 5% with effect from April 1, 2024.

Further, additional services may be provided by MIOP for an additional fee as may be agreed upon between the parties. MIOP shall also be entitled to be reimbursed by G1 SPV for expenses that are incurred by it in rendering the services (to the extent such reimbursement is contemplated in the annual business plan and budget) upon submission of all receipts of such expenses.

Indemnity

MIOP is obligated to indemnify G1 SPV against any direct and actual losses resulting from the breach of the G1 Property Management Agreement and certain other specified events, in accordance with the provisions of the G1 Property Management Agreement. Except in respect of losses arising out of Fraud, Willful Misconduct and FCC Laws Breach (*each as defined under the G1 Property Management Agreement*), the liability of MIOP is subject to a *de minimis* threshold and aggregate cap amount as set out in the G1 Property Management Agreement.

Reporting Requirements

MIOP is required to periodically prepare and provide certain documents such as the audited annual financial statements, quarterly asset report and valuation reports, in accordance with the timelines set forth under the G1 Property Management Agreement.

Term and termination

Except for certain provisions in the G1 Property Management Agreement such as definitions, representations and warranties, confidentiality and dispute resolution, which will come into effect upon execution of the G1 Property Management Agreement, the terms of the G1 Property Management Agreement will become effective and binding from the Completion Date (*as defined under the G1 Securities Purchase Agreements*). The term of the G1 Property Management Agreement will be a period of ten years from the Completion Date (*as defined under the G1 Securities Purchase Agreements*) and MIOP has the option at its sole discretion to renew the G1 Property Management Agreement by issuing a written notice of renewal to G1 SPV for two consecutive terms of 10 years each, from the expiry of the initial term of 10 years, each on the same terms and conditions.

The G1 Property Management Agreement may be terminated by mutual consent of the parties in writing or upon occurrence of any of the following instances:

1. continuation of a force majeure event, as defined under the G1 Property Management Agreement, for a period of 180 days from the date on which MIOP issues a notice to G1 SPV of the occurrence of such force majeure event;
2. by G1 SPV in the event:
  - a. Brookfield REIT, together with its affiliates, ceases to hold at least 25% of the equity share capital in G1 SPV unless Brookfield REIT has assigned its right to appoint the property manager, in accordance with the terms of the G1 Property Management Agreement;
  - b. MIOP ceases to be controlled by Brookfield REIT or the Brookfield Group (for the first 30 months of the term of the G1 Property Management Agreement) and thereafter by Brookfield REIT, in accordance with the terms of the G1 Property Management Agreement unless Brookfield REIT has assigned its right to appoint the property manager, in accordance with the terms of the G1 Property Management Agreement;
  - c. Brookfield REIT undergoes a REIT CIC (*as defined under the G1 SHA*) and it has nominated another person to provide property management services to G1 SPV, as set out under the G1 Property Management Agreement;



- d. Brookfield REIT undergoes any indirect Change in Control (*as defined under the G1 SHA*) and it has not nominated another person to provide property management services to G1 SPV, as set out under the G1 Property Management Agreement;
- e. occurrence of a Cause Termination Event, in accordance with the G1 Property Management Agreement;
- f. an insolvency event, as defined under the G1 Property Management Agreement, with respect to MIOP occurs; or
- g. MIOP is restricted or prohibited from providing the real estate operating services, in accordance with the G1 Property Management Agreement,

provided that the G1 Property Management Agreement cannot be terminated by G1 SPV prior to the third anniversary of the effective date of the G1 Property Management Agreement on account of a Cause Termination Event (*as defined under the G1 Property Management Agreement*), unless the termination is one triggered on account of Fraud, Wilful Misconduct or an FCC Laws Breach (*each as defined under the G1 Property Management Agreement*).

3. By MIOP in the event:
  - a. an insolvency event, as defined under the G1 Property Management Agreement, with respect to G1 SPV occurs; or
  - b. failure by G1 SPV to pay the fees due and payable to MIOP, only where such non-payment continues for a period of 60 days following the issuance of a notice by MIOP demanding payment of the said fee.

#### ***Other key agreements***

#### **Trade-Mark Sublicense Agreement**

##### *Nature of the right*

The Trade-Mark Sublicense Agreement dated September 26, 2020 read with the Deed of Adherence dated June 21, 2022 entered into between the Brookfield REIT, our Manager, our Portfolio Companies (the “**Sublicensees**”) and Brookfield Asset Management Holdings SRL, a part of the Brookfield Group (the “**Sublicensor**”) grants the Sublicensees (including any other companies that may be directly or indirectly held by the Brookfield REIT) a worldwide, non-exclusive, non-transferable, royalty-free right to the licensed use of the Trade-Marks (as defined hereafter). Brookfield Office Properties Inc. (“**Owner**”), who is the owner of certain trade-marks, trade names, logos and domain names that include the term ‘BROOKFIELD’ alone or in combination with other words or design elements in various jurisdictions worldwide, along with applications and registrations including the application for registration of the trademark and logo associated with ‘*Brookfield India Real Estate Trust*’ and ‘*Brookfield India REIT*’ (“**Trade-Marks**”) has granted to the Sublicensor, the right and license to use the Trade-Marks with a right to further sublicense them, pursuant to the trademark license agreement dated November 14, 2010.

The Sublicensees do not have a right to grant sublicenses to any other entities to use the Trade-Marks in association with the licensed use. Additionally, the Trade-Marks can only be applied for or registered in the name of the Owner. Therefore, an application, at the sole discretion of the Brookfield REIT, for the registration of a Trade-Mark is subject to a written request along with the required information, being made by our Manager to the Sublicensor. Further, the Sublicensor is required to forward such written request and information to the Owner, and subject to the discretion of the Owner acting reasonably, the Owner is required to arrange for the filing, prosecution and maintenance of the Trade-Marks.

##### *Term and termination*

The Trade-Mark Sublicense Agreement will continue to be in effect unless terminated in accordance with terms of the Trade-Mark Sublicense Agreement or until otherwise agreed upon in writing between Sublicensor and the Sublicensees.

The Trade-Mark Sublicense Agreement may be terminated in any of the following circumstances:

1. *Termination rights of the Sublicensor:* The Sublicensor may terminate the Trade-Mark Sublicense Agreement, effective upon giving a written notice of termination to the Brookfield REIT and our Manager, in the event of the termination of the Investment Management Agreement.

Additionally, the Sublicensor may terminate the Trade-Mark Sublicense Agreement upon giving 30 days' written notice of termination to the Brookfield REIT and our Manager on the happening of the following events:

- (i) the bankruptcy, insolvency, receivership, dissolution or winding-up of the Brookfield REIT;
- (ii) the date prior to the date on which the seizure or attachment of the property, assets or undertaking of the Brookfield REIT (held by it either directly or indirectly), as a result of any action taken against it by any other Person;
- (iii) the Brookfield REIT or our Manager default in the performance of any material term, condition under the Trade-Mark Sublicense Agreement and the default continues for a period of 30 days after the receipt written notice of such breach;
- (iv) the Brookfield REIT or our Manager assign, sublicense, pledge, mortgage or otherwise encumber the Trade-Marks; or
- (v) the termination or amendment of the trademark license agreement dated November 14, 2010, if it results in a loss of rights licensed by the Sublicensor.

Further, the Trade-Mark Sublicense Agreement will terminate with immediate effect in the event the Brookfield Group ceases to control our Manager.

2. *Termination rights of the Brookfield REIT and our Manager:* The Brookfield REIT and our Manager may terminate the Trade-Mark Sublicense Agreement upon giving 30 days' written notice of termination to the Sublicensor in the event of default on part of the Sublicensor in the performance of any material term, condition or agreement under the Trade-Mark Sublicense Agreement and failure on part of the Sublicensor to cure the breach for a period of 30 days after receipt of the written notice.

#### Indemnity

The Brookfield REIT and our Manager agree to defend, indemnify and hold harmless the Owner and the Sublicensor and their respective officers, directors and employees from and against all claims, and all costs, expenses, damages, etc. arising out of the use of the Trade-Marks by the Brookfield REIT, our Manager or our Portfolio Companies in breach of the Trade-Mark Sublicense Agreement.

#### **Candor Trademark Agreement**

##### Nature of the right

Pursuant to the Candor Trademark Agreement dated September 26, 2020 entered into between CIOP (being the sole owner of the 'Candor Techspace' trademark ("Trademark") and logo ("Logo")), the Brookfield REIT, our Manager, our Candor Asset SPVs and G1 SPV ("Licensees"), CIOP has granted a worldwide, non-exclusive, non-transferable, non-assignable, royalty free right and license to use the Trademark and the Logo in connection with the respective businesses of the Licensees. This right includes using the Trademark on the website of the Licensees, in their domain names, general publicity, advertising and other literature or material or as the Licensees' trade name/corporate name in connection with their businesses.

##### Term and termination

The Candor Trademark Agreement came into effect on September 26, 2020 and shall remain in force unless terminated as given below.

1. *With immediate effect:* With respect to the Brookfield REIT and our Manager in the event:
  - (i) the Brookfield Group ceasing to control our Manager; or
  - (ii) of the termination of the Investment Management Agreement.

2. *By the Licensees:* The Licensees may terminate the Candor Trademark Agreement upon giving 30 days' written notice of termination to CIOP in the event of default of the Licensor in the performance of any material term, condition or agreement under the Candor Trademark Agreement and the default continuing for a period of 30 days after written notice of the breach is given to CIOP.
3. *By CIOP:* CIOP may terminate the Candor Trademark Agreement upon giving 30 days' written notice of termination to the Licensees on the following events:
  - (i) the bankruptcy, insolvency, receivership, dissolution or winding-up of the Licensees;
  - (ii) the date prior to the date on which the seizure or attachment of the property, assets or undertaking of the Licenses (held by it either directly or indirectly), as a result of any action taken against it by any third person;
  - (iii) any use by the Licensees of the Trademark not in accordance with the terms of the Candor Trademark Agreement which materially jeopardizes or materially adversely affects the Licensor's intellectual property rights in the Trademark and the Logo.
  - (iv) the Licensees default in the performance of any material term, condition or agreement under the Candor Techspace Agreement and the default continues for a period of 30 days after written notice of the breach is given to the Licensees; or
  - (v) the Licensees' assign, sublicense, pledge, mortgage or otherwise encumber the Trademark or Logo.

### **SDPL Noida Income Support Agreement**

#### Nature of the right

SDPL Noida and MIOP have executed the SDPL Noida Income Support Agreement dated December 17, 2021 for provision of monetary support by MIOP to SDPL Noida for certain identified eligible areas in Candor Techspace N2 in the manner agreed among the parties to the SDPL Noida Income Support Agreement. Such support will be provided by MIOP to SDPL Noida on a quarterly basis commencing from January 1, 2022, until the quarter ending March 31, 2024 for an amount not exceeding ₹ 1,500 million in aggregate.

#### Term and termination

The SDPL Noida Income Support Agreement came into effect on January 1, 2022 and shall remain in force unless terminated as given below.

- (i) upon the final disbursement to SDPL Noida under the SDPL Noida Income Support Agreement; and
- (ii) upon the disbursements made to SDPL Noida equaling ₹ 1,500 million prior to March 31, 2024.

### **Fee and expenses**

#### *Annual Expenses*

The expenses to be directly charged to the Brookfield REIT includes (i) fees payable to the Trustee; (ii) REIT Management Fees payable to our Manager; (iii) fees payable to the Auditor; (iv) fees payable to the Valuer; (v) fees payable to other intermediaries and consultants; and (vi) other miscellaneous expenses. Further, the Brookfield REIT will incur or reimburse expenses in relation to this Issue.

The estimated recurring fees and expenses charged/ chargeable to the Brookfield REIT on an annual basis are as set forth below:

Payable by the Brookfield REIT	Estimated Expenses (in ₹ million)
Trustee fees (per annum)	See Note 1 below
REIT Management Fees (per annum)	See Note 2 below
Auditor fee, Valuer fee, Independent Industry Expert fee and others	64.18

*Note 1: The Trustee shall be entitled to an annual fee of ₹2.5 million (exclusive of taxes).*

*Note 2: The Brookfield REIT shall pay to our Manager, REIT Management Fees which shall be 1% of the NDCF.*

Also see “*Financial Information of the Brookfield REIT*” in Annexure B.

***Issue Expenses***

The total expenses of the Issue are as set forth in the section “*Use of Proceeds*” beginning on page 315.

## **RELATED PARTY TRANSACTIONS**

In terms of Regulation 2(1)(zo) of the REIT Regulations, a ‘related party’ is as defined under the Companies Act or under the applicable accounting standards (i.e., Ind AS 24 on “**Related Party Disclosures**”), as amended from time to time and shall also include (i) Parties to the Brookfield REIT and (ii) promoters, directors and partners of Parties to the Brookfield REIT (“**Related Parties**”).

The list of related parties included in “*Financial Information of the Brookfield REIT*” beginning on page B-1 include the related parties as a result of the combination of the financials of our Portfolio Companies and is subject to elimination of transactions and balances between our Portfolio Companies.

Further, any transactions between two or more REITs with a common manager or sponsor shall be deemed to be a related party transaction for each of the REITs including any transaction where the manager or the sponsor(s) of the REITs are different entities but are associates.

### **Procedure for dealing with Related Party transactions**

To ensure proper approval, supervision and reporting of the transactions between the Brookfield REIT and its Related Parties, the board of directors of the Manager on September 26, 2020 adopted a policy in relation to ‘Related Party Transactions and Conflict of Interests’, which was amended on May 4, 2022. The policy is adopted to regulate the transactions of the Brookfield REIT and/ or our Portfolio Companies with its Related Parties, based on the laws and regulations applicable to a REIT and best practices. The objective of the policy is to ensure proper approval, supervision and reporting of the transactions of the Brookfield REIT and/ or our Portfolio Companies with the Related Parties. All related party transactions of the Brookfield REIT and/ or our Portfolio Companies with the Related Parties shall be dealt with in the manner provided in the corporate governance framework, to the extent applicable, and in accordance with the policy with respect to related party transactions and conflicts of interest framed by our Manager.

### **General Requirements**

- (i) In accordance with the REIT Regulations, the Manager will ensure that all Related Party transactions entered into by the Brookfield REIT (on a consolidated basis, which for the avoidance of doubt, includes the activities of our Portfolio Companies) shall be: (a) on an arm’s length basis; (b) in the best interest of the Unitholders; (c) consistent with the strategy and investment objectives of the Brookfield REIT; (d) compliant with applicable law; and (e) disclosed to the Stock Exchanges and the Unitholders periodically in accordance with the listing agreement and the REIT Regulations.
- (ii) The Brookfield REIT (or the Portfolio Companies) may, subject to the conditions specified under this Policy and the REIT Regulations: (a) acquire assets from Related Parties; (b) sell assets or securities to Related Parties; (c) lease assets to Related Parties; (d) lease assets from Related Parties; (e) invest in securities issued by Related Parties; or (f) borrow/lend from/to Related Parties or carry out such transactions with Related Parties as may be permitted under applicable law.
- (iii) Following conditions shall be followed in relation to the purchase or sale of properties, in accordance with the REIT Regulations:
  - a. two valuation reports from two different valuers, independent of each other, shall be obtained;
  - b. such valuers shall undertake a full valuation of the assets proposed to be purchased or sold as specified under Regulation 21 of the REIT Regulations; and
  - c. transactions for purchase of such assets shall be at a price not greater than, and transactions for sale of such assets shall be at a price not lesser than, 110% and 90% of the average of the two independent valuations, respectively.

### **Approval of the Unitholders**

- (i) Related Party transactions with respect to sale or purchase of properties shall be undertaken in compliance with Regulation 19(3) of the REIT Regulations.
- (ii) Unitholders’ approval shall be obtained in accordance with Regulation 22 of the REIT Regulations (where the votes cast in favour of a resolution shall be more than the votes cast against the resolution) and the

request for such approval shall be accompanied by a transaction document as specified under Regulation 19(5)(c) of the REIT Regulations (which shall include the disclosures specified under Regulation 19(6) of the REIT Regulations), prior to entering into any related party transactions if:

- a. the total value of all the related party transactions, in a Financial Year, pertaining to acquisition or sale of assets/properties, whether directly or through the Holding Company (if any) and/or the Asset SPVs, or investments into securities exceeds 10% of the value of the Brookfield REIT; or
- b. the value of the net funds borrowed from the Related Parties, in a Financial Year, exceeds 10% of the total consolidated borrowings of the Brookfield REIT, Holdco and Asset SPVs.

It is hereby clarified that voting by any person who is a related party with respect to a Related Party transaction, as well as the voting by the Associates of such person, shall not be considered on such related party transaction.

(iii) In the event of any properties being leased to Related Parties, if:

- (a) such lease area exceeds 20% of the total area of the underlying assets;
- (b) value of assets under such lease exceeds 20% of the value of the total underlying assets; or
- (c) rental income obtained from such leased assets exceeds 20% of the value of the rental income of all underlying assets,

a fairness opinion from an independent valuer will be obtained by the Manager and submitted to the Trustee and the approval of the Unitholders in accordance with Regulation 22 of the REIT Regulations will be obtained.

Additionally, the Manager shall ensure that all leasing to Related Parties shall be undertaken at independently verifiable market rates and any leasing to a Related Party over 10,000 sq.ft. (together with existing leases), during a particular Financial Year, shall be reported to the Board.

(iv) For any Related Party transaction requiring the approval of the Unitholders, the agreement shall be entered into within six months from the date of approval of the Unitholders. However, in case the agreement is not entered into within such period, approval from the Unitholders may be sought for extension of another six-months in accordance with Regulation 22 of the REIT Regulations with an updated valuation report.

#### ***Disclosure and Reporting***

- (i) The Manager shall submit to the Trustee, quarterly compliance reports on the activities of the Brookfield REIT, including the status of compliance with the requirements specified under the REIT Regulations with respect to Related Party Transactions, within 30 days of the end of each quarter.
- (ii) Related Party transactions shall be disclosed to the Stock Exchanges and the Unitholders periodically, in accordance with the REIT Regulations and the Listing Agreement. With respect to any Related Party transaction, the Manager shall adequately disclose the details of any fees or commissions received or to be received by such Related Party to the Stock Exchanges and Unitholders.
- (iii) In terms of the REIT Regulations, the annual report and half yearly report to be submitted by the Manager to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the Financial Year and within 45 days from the end of the half year ending on September 30, shall contain, inter alia, details of all Related Party transactions, including acquisitions or disposal of any assets, directly or through the Asset SPVs during the year, the value of which exceeds 5% of value of the Brookfield REIT's assets.
- (iv) Any arrangement or transaction or contract with any Related Party other than as included in the REIT Regulations shall be disclosed to the Unitholders and to the Stock Exchanges.

***Other Conditions***

- (i) In addition to any other requirement that may be prescribed in terms of the REIT Regulations or other applicable laws, all Related Party transactions to be entered into by the Brookfield REIT and/or the SPVs in the future will be reviewed and approved by the Audit Committee.
- (ii) As a general rule, the Manager must demonstrate to the Audit Committee that Related Party Transactions satisfy the criteria set out hereunder at the time of recommending the same for the approval of the Audit Committee.
- (iii) The Manager will maintain a register to record all Related Party transactions entered into by the Brookfield REIT and the Portfolio Companies and the basis on which they are entered into. This record shall be maintained by the Manager for a minimum period of eight Financial Years.
- (iv) No Related Party shall retain cash or other rebates from any property agent in consideration for referring transactions in Portfolio Companies to the property agent.
- (v) The Audit Committee shall review at least quarterly in each financial year, the Related Party transactions entered into during such quarter to ascertain that the guidelines and procedures established to monitor the related party transactions have been complied with.
- (vi) The review by the Audit Committee will include the examination of the nature of (if required) and parties to the transaction and its supporting documents or such other data as may be deemed necessary by the Audit Committee.
- (vii) While considering a Related Party transaction, any member of the Audit Committee or the Board who has a potential interest in any Related Party transaction will recuse himself or herself and abstain from discussion and voting on the matter.
- (viii) Subject to the REIT Regulations, the Audit Committee may also, for ease of conducting affairs of the Brookfield REIT, grant omnibus approval for Related Party transactions to be entered into by the Brookfield REIT and/or Portfolio Companies (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available. While assessing a proposal for approval under the omnibus route, the Audit Committee has to satisfy itself on the need for such approval and if the same is in the interest of the Brookfield REIT.
- (ix) Transactions of the following nature shall not be undertaken on the basis of the omnibus approval mechanism: (a) the transactions which are not in the ordinary course of business or not at arm's length; (ii) transactions which are not repetitive or unforeseen in nature; (iii) transactions exceeding the threshold limits specified for omnibus approval (the Audit Committee shall, after obtaining approval of the Board, specify the criteria for granting the omnibus approval); (iv) inter-corporate loans given / taken by the Brookfield REIT to / from Related Parties and purchase / sale of investments from / to Related Parties; and (v) any other transaction as may be specified by the Audit Committee.

***Potential Conflict of Interest***

- (i) All resolutions in writing concerning investments with respect to matters concerning Related Party transactions of the Brookfield REIT or the Portfolio Companies must be approved by majority of all non-interested directors of the Board.
- (ii) Where matters concerning the Brookfield REIT or the Portfolio Companies relate to transactions entered into or to be entered into by the Manager for and on behalf of the Brookfield REIT with a Related Party, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set forth in this Policy and under applicable law.
- (iii) To ensure compliance with the right of first offer agreements and the agreement to purchase, the Manager will maintain a register of all opportunities / transactions arising from the implementation of such agreements. The Audit Committee shall, at such intervals as it may deem fit, review the implementation of such agreements to ensure compliance. The review will include an examination of supporting documents and such other data deemed necessary by the Audit Committee. If a member of the Audit Committee has an interest in a transaction arising from the implementation of the right of first offer

agreements or the agreement to purchase, he or she shall abstain from participating in the review and approval process in relation to that transaction.

- (iv) The employees of the Sponsor/ Sponsor Group, on the Board, if any, shall recuse themselves from discussing and voting on any transactions with Related Parties in which they could hold a potential interest, whether directly or indirectly.

#### ***Allocation of Investment Opportunities***

Brookfield provides investment advice and performs related services for the Brookfield Group. The other entities forming part of the Brookfield Group may have investment mandates that may overlap with those of the Brookfield REIT and compete with and/or have priority over the Brookfield REIT in respect of particular investment opportunity(ies). Consequently, certain opportunities sourced by Brookfield that would otherwise be suitable for the Brookfield REIT are not expected to be available to it or it may receive a smaller allocation of such opportunities than would otherwise have been the case or it will receive an allocation of such opportunities on different terms than the members of the Brookfield Group that are less favourable.

In this context, there may be situations of actual/potential conflict of interest which may arise on account of the Brookfield REIT and/or the Asset SPVs being a part of the Brookfield Group. In such situations, Brookfield will allocate investment opportunities on a basis that it believes is fair and equitable taking into account all of the facts and circumstances, subject to compliance with applicable law, which will include one or more of the following factors, among others:

- i. the size, nature and type of the opportunity (including the risk and return profiles of the investment, expected holding period and other attributes);
- ii. the relative amounts of capital available for investment;
- iii. principles of diversification of assets;
- iv. expected future capacity of the accounts;
- v. cash and liquidity needs (including for pipeline, follow-on and other opportunities);
- vi. the availability of other appropriate or similar investment opportunities; and
- vii. other portfolio management considerations deemed relevant by Brookfield (including, among others, legal, regulatory, tax, structuring, compliance, investment-specific, timing and similar considerations).

#### ***Segregation of Activities***

In addition to acting as an investment manager to the Brookfield REIT, the Manager shall also act as the property manager to other entities forming part of the Brookfield Group which may own and operate commercial real estate from time to time. The Manager shall comply with the following in this regard:

- (i) The Manager shall perform its duties with respect to the Brookfield REIT or under any other arrangement with the Brookfield REIT and/ or the Portfolio Companies independent of its other business and has and shall ensure that it continues to have adequate systems, controls and procedures in place to ensure the same (including those set out herein).
- (ii) In the event of any transactions resulting in an actual or potential conflict of interest situation wherein the Manager (or its Affiliates) is likely to, including but not limited to, (a) make a financial gain, or avoid a financial loss from a transaction, which is not aligned with the interest of the Brookfield REIT (including but not limited to entering into a material leasing transaction with respect to premises situated in the same location as the Brookfield REIT's assets); (b) has an interest in the outcome of a transaction carried out on behalf of the Brookfield REIT, which is distinct from the Brookfield REIT's interest in that outcome; (c) receives (or will receive) from any other person / entity, an inducement in relation to a transaction entered into or to be entered into by the Brookfield REIT, in the form of monies, goods or services, etc.; and (d) have any pecuniary or non-pecuniary interest which are not aligned with the interests of the Brookfield REIT:
  - a. the full details of such transactions shall be reported promptly to the Audit Committee.



- b. all such transactions shall be reported to the Board, on a quarterly basis, by the Audit Committee.
  - c. To the extent feasible, all arrangements entered into must be at independently verifiable market terms /rates and supported by an independent professional advice of a third party such as an independent chartered accountant, independent qualified consultant, independent valuer, etc.
- (iii) Our Board shall:
- a. actively seek to identify, mitigate and, to the extent required, document any conflicts of interest in the areas of operation, including in connection with any existing or planned activities.
  - b. review on a quarterly basis or more regularly, if required, (i) the activities of the Manager as an investment manager to the Brookfield REIT and as the property manager to other entities forming part of the Brookfield Group; and (ii) any reported conflicts of interest between thereon and prescribe allocation of responsibilities or such other steps to avoid or deal with such conflicts.
  - c. authorize the Audit Committee to ensure that (i) the Manager acts in accordance with this Policy, the Investment Management Agreement and the REIT Regulations; and (ii) adequate, accurate.

Further, the Brookfield REIT may be subject to potential conflicts of interest arising out of its relationship with Brookfield Group including with our Sponsor, members of our Sponsor Group and our Manager. The Brookfield REIT provides investment advice and performs related services for the Brookfield Group. The other entities forming part of the Brookfield Group may have investment mandates that may overlap with those of the Brookfield REIT and compete with and/or have priority over the Brookfield REIT in respect of particular investment opportunity/(ies). Consequently, certain opportunities sourced by Brookfield that would otherwise be suitable for the Brookfield REIT are not expected to be available to it or it may receive a smaller allocation of such opportunities than would otherwise have been the case or it will receive an allocation of such opportunities on different terms than the members of the Brookfield Group that are less favourable. Subject to compliance with applicable law, all such situations shall be dealt with by Brookfield in accordance with the principles set forth below.

Brookfield will allocate investment opportunities on a basis that it believes is fair and equitable taking into account all of the facts and circumstances which will include one or more of the following factors, among others:

- a) the size, nature and type of the opportunity (including the risk and return profiles of the investment, expected holding period and other attributes),
- b) the relative amounts of capital available for investment,
- c) principles of diversification of assets,
- d) expected future capacity of the accounts,
- e) cash and liquidity needs (including for pipeline, follow-on and other opportunities),
- f) the availability of other appropriate or similar investment opportunities, and
- g) other portfolio management considerations deemed relevant (including, among others, legal, regulatory, tax, structuring, compliance, investment-specific, timing and similar considerations).

## **Related Party Transactions**

### ***Related Party Transactions prior to the Issue***

For details of related party transactions as per Ind AS 24 read with the REIT Regulations as of and for the last three Financial Years, see “- *Related Party Transactions*” beginning on page 235. Also see “*Management Framework*” beginning on page 224. For details of the Investment Management Agreement, see “*Background of the Brookfield REIT – Key terms of the Investment Management Agreement*” beginning on page 85.

### ***SDPL Noida Acquisition***

Pursuant to an agreement to purchase dated January 13, 2021, entered into by SDPL Noida and its shareholders with our Manager and the Brookfield REIT (acting through the Trustee), on January 24, 2022, the Brookfield REIT completed the acquisition of 100% of the equity share capital and CCDs of SDPL Noida which owns Candor Techspace N2 from BSREP IOH IV and BSREP IOH. at an acquisition price of ₹ 39,663 million.

*Ongoing and future related party transactions*

Ongoing

Our Manager and the Brookfield REIT (acting through the Trustee) have entered into the Vrihis ROFO Agreement, in accordance with which, the Brookfield REIT has been granted a right of first offer over certain assets including Downtown Powai. Further, pursuant to the Composite Scheme, which was filed on December 22, 2021, Downtown Powai has been transferred to Downtown Powai SPV. The NCLT has approved the Composite Scheme by way of its order dated April 24, 2023 and the effective date of the Composite Scheme was May 6, 2023. The Brookfield REIT proposes to undertake the Downtown Powai Acquisition by acquiring Downtown Powai SPV from its current shareholders (*i.e.*, Project Diamond and Project Cotton) under the Vrihis ROFO Agreement in accordance with the terms of the Downtown Powai REIT SPA. For further details of the Downtown Powai SPV Acquisition, see “*The Acquisition Transactions*” on page 204.

Future

Our Manager and the Brookfield REIT (acting through the Trustee) have entered into the ROFO Agreements with each of the ROFO Companies and their respective shareholders and debenture holders pursuant to which each of the ROFO Companies have agreed to grant a right of first offer to the Brookfield REIT (acting through the Trustee) in the event of sale of their shareholding in the respective ROFO Companies. Parthos, a ROFO Company, has granted a ROFO over the identified asset *i.e.*, the units held by it in ‘Jet Airways Godrej BKC’ in the event it proposes to sell all or any part of the units. The right under the ROFO Agreements is valid for a period of five years from the date of listing of our Units on the Stock Exchanges or as may be mutually agreed between the parties.

*Proposed Related Party Transaction – Acquisition Transactions*

The Net Proceeds of the Issue are proposed to be utilized, *inter-alia*, for the payment of consideration for the Acquisition Transactions. The Acquisition Transactions are related party transactions under the REIT Regulations.

The Downtown Powai Sellers are Project Diamond and Project Cotton, the G1 Sellers are BSREP IOH II and BSREP IOH, each being a member of the Brookfield Group. As a result of this, the Downtown Powai Sellers and G1 Sellers are related parties of Brookfield REIT.

The Acquisition Transactions will also involve certain ancillary arrangements, including with related parties, including subscription of NCDs. For further details, see “*The Acquisition Transactions*” and “*Use of Proceeds*” on pages 204 and 315, respectively.

## **AUDITOR AND VALUER OF THE BROOKFIELD REIT**

### **The Auditor**

#### ***Background and terms of appointment***

Our Manager, in consultation with the Trustee, has appointed Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N) as the auditor of the Brookfield REIT for a period of five years with effect from September 26, 2020 (*Fiscal 2021 to Fiscal 2025*) pursuant to a Unitholder's resolution dated August 18, 2021 ("**Auditor Appointment**").

#### ***Rights and Responsibilities of the Auditor***

The rights and responsibilities of the auditor are required to be in accordance with the REIT Regulations and terms of the Auditor Appointment. Accordingly, in terms of the REIT Regulations and the terms of the Auditor Appointment, the Auditor shall:

- (a) after taking into account the relevant accounting and auditing standards, as may be specified by SEBI, conduct audit of the accounts of the Brookfield REIT and prepare the audit report based on the accounts examined by them;
- (b) to the best of its information and knowledge, ensuring that the accounts and financial statements give a true and fair view of the state of the affairs of the Brookfield REIT, including the profit or loss and cash flow for the prescribed period of the Brookfield REIT and such other matters as may be specified;
- (c) have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Brookfield REIT; and
- (d) have a right to require such information and explanations pertaining to activities of the Brookfield REIT as it may consider necessary for the performance of its duties as the auditor from the employees of the Brookfield REIT or Parties to the Brookfield REIT or our Portfolio Companies/ Holding Company, if any, or any other person in possession of such information.

### **The Valuer**

#### ***Background and terms of appointment***

Our Manager, in consultation with the Trustee, has appointed Ms. L. Anuradha, registered as a valuer with IBBI for the asset class 'Land and Building' under the provisions of the Companies (Registered Valuers and Valuation) Rules ("**Valuer**") as the valuer to the Brookfield REIT for a period of four years with effect from March 31, 2023 ("**Valuer Appointment**") pursuant to the resignation of the previous valuer of the Brookfield REIT, Shubhendu Saha, MRICS on November 30, 2022. In accordance with Rule 11 of the Companies (Registered Valuers and Valuation) Rules, post April 30, 2019, only registered valuers can provide valuation services.

The Valuer is not an associate (as defined under Regulation 2(1)(b) of the REIT Regulations) of our Sponsor, our Manager or the Trustee and has not less than five years of experience in the valuation of the Real Estate Assets. The Valuer is an independent valuer in accordance with the REIT Regulations. The Valuer is in compliance with and undertakes to comply with the conditions specified in Regulation 12 of the REIT Regulations. The primary address of operations of the Valuer is situated at 23/10 Kennedy 1st Street, Mylapore, Chennai 60004, Tamil Nadu, India.

The Valuer is not an associate (as defined under Regulation 2(1)(b) of the REIT Regulations) of our Sponsor, our Manager or the Trustee and does not have less than five years of experience in the valuation of the Real Estate Assets. The Valuer is in compliance with the conditions specified in Regulation 12 of the REIT Regulations.

The Valuer has carried out valuation of all assets forming part of the REIT in accordance with Regulation 21 and Schedule V of the REIT Regulations. To arrive at a market valuation of the assets forming part of the Brookfield REIT, the Valuer has carried out an impartial, true, fair and detailed analysis of all assets forming part of the Brookfield REIT on the basis of his independent professional judgment and has additionally placed reliance on the Industry Report prepared by the Independent Industry Expert.

In relation to the valuation of the Asset SPVs of the Brookfield REIT, the summary valuation report dated May 16, 2023 issued by the Valuer for the valuation as at March 31, 2023, is available on the website of the Brookfield REIT at [https://www.brookfieldindiareit.in/files//valuation-report/Summary\\_Valuation\\_Report\\_Q4\\_FY\\_2023.pdf](https://www.brookfieldindiareit.in/files//valuation-report/Summary_Valuation_Report_Q4_FY_2023.pdf).

***Past experience in valuing similar assets***

The Valuer has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She has worked at Cushman & Wakefield India Private Limited as an Associate Director, at SIVA group in the mergers and acquisition practice, at PriceWaterhouse Coopers in the government, real estate and infrastructure development practice, and at Jones Lang LaSalle.

The Valuer has a Master of Planning from School of Planning and Architecture, New Delhi and a Bachelor of Architecture from Thiagarajar Engineering College. The Valuer is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She is currently involved in providing valuation services to the REIT for acquisition of new properties. The past experience of the Valuer with respect to valuing similar assets is set forth below:

Sr. No.	Description	Location
1)	Valuation of multiple properties for HDFC Limited at Bangalore, Chennai, NCR, Mumbai and Pune	Bangalore, Chennai, NCR, Mumbai and Pune
2)	IND As valuations for Tata Realty and Infrastructure Limited	Mumbai, Chennai
3)	Valuation of determining the claim amount for a representation with the National Company Law Tribunal	Hyderabad
4)	Multiple valuation for the annual audit purpose for Phoenix Mills	Mumbai and Pune
5)	Multiple valuations for the annual audit purpose for Inorbit Malls	Mumbai, Pune and Hyderabad
6)	Multiple Valuations of Hotel properties for Samhi Hotels Limited	Hyderabad and Pune

***Functions of the Valuer***

In terms of the Valuer Appointment, the functions, duties and responsibilities of the Valuer will be in accordance with the REIT Regulations. Accordingly, in terms of the REIT Regulations and the Valuer Appointment, the Valuer at all times is required to comply with certain conditions prescribed therein, including the following conditions:

1. ensure that the valuation of the assets forming part of the Brookfield REIT is impartial, true and fair and is in accordance with Regulation 21 of the REIT Regulations;
2. ensure that adequate and robust internal controls are in place to ensure the integrity of the valuation reports prepared subsequent to valuation of the assets forming part of the Brookfield REIT;
3. ensure that it has sufficient key personnel with adequate experience and qualification to perform valuation of the assets forming part of the Brookfield REIT at all times;
4. ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;
5. the Valuer and any of its employees involved in valuation of the assets forming part of the Brookfield REIT, shall not, (i) invest in the Units or in the assets being valued; or (ii) sell the assets or Units held prior to being appointed as the Valuer, until the time such person is designated as the Valuer and not less than six months after ceasing to be the Valuer;
6. conduct valuation of the assets forming part of the Brookfield REIT with transparency and fairness and render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;
7. act with independence, objectivity and impartiality in performing valuation of the assets forming part of the Brookfield REIT;
8. discharge its duties towards the Brookfield REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the Valuer Appointment and assignments given to the Valuer;

9. not accept remuneration, in any form, for performing valuation of the assets forming part of the Brookfield REIT from any person other than the Brookfield REIT, our Manager or its authorized representative;
10. before accepting any assignment from any related party to the Brookfield REIT, disclose to the Brookfield REIT any direct or indirect consideration which the Valuer may have in respect of such assignment;
11. disclose to the Trustee any pending business transactions, contracts under negotiation and other arrangements with our Manager or any other party whom the Brookfield REIT is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the assets;
12. not make false, misleading or exaggerated claims in order to secure assignments;
13. not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
14. not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Brookfield REIT; and
15. prior to performing valuation of the assets forming part of the Brookfield REIT, acquaint itself with all laws or regulations relevant to such valuation.

#### **Policy on Appointment and Removal of the Auditor and Valuer**

The policy on appointment and removal of auditor and the valuer of the Brookfield REIT was approved by our Board on September 26, 2020. The policy aims at formulating a structure for ensuring compliance by the Brookfield REIT, with the process of appointment and removal of the auditor and the valuer in accordance with applicable law, including the REIT Regulations. The key terms of the policy are set out below:

##### ***Appointment of the Auditor***

- i. Our Manager, in accordance with the REIT Regulations, other applicable laws and recommendation of the Audit Committee and approval of our Board, in consultation with the Trustee, shall appoint the auditor in a timely manner. Such appointment shall be carried out by our Board or the Audit Committee, as applicable, of our Manager, with the approval of our Unitholders as required under the REIT Regulations. Such appointment shall be intimated to the designated stock exchange.
- ii. Our Manager shall appoint an auditor for a period of not more than five consecutive years, provided that the auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of our Unitholders in the annual meeting of our Unitholders, in accordance with provisions of the REIT Regulations and other applicable laws.
- iii. The auditor, so appointed, shall be one who has subjected himself/ himself to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and who holds a valid certificate issued by the peer review board of the ICAI.
- iv. Our Manager shall ensure that the appointment of the auditor and the fees payable to the auditor is approved by our Unitholders, in accordance with the REIT Regulations, and is in compliance with other applicable laws.

##### ***Removal of the Auditor***

- i. Our Manager, in accordance with the REIT Regulations, other applicable laws and recommendation of the Audit Committee and approval of our Board, in consultation with the Trustee, may remove the auditor if the auditor fails to comply with applicable law.
- ii. Our Unitholders may request for removal of the auditor and appointment of another auditor to the Brookfield REIT in accordance with the REIT Regulations and other applicable laws. Such removal shall be intimated to the designated stock exchange.
- iii. In case the removal of the auditor and appointment of another auditor to the Brookfield REIT has been taken up at the request of our Unitholders, approval from our Unitholders shall be required where votes

cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution.

***Appointment of the Valuer***

- i. Our Manager, in accordance with the REIT Regulations, other applicable laws and recommendation of the Audit Committee and approval of our Board, in consultation with Trustee, shall appoint the valuer of Brookfield REIT, in a timely manner.
- ii. Our Manager shall ensure that the appointment of the valuer is approved by our Unitholders in accordance with REIT Regulations and is in compliance with other applicable laws. Such appointment shall be intimated to the designated stock exchange.
- iii. The remuneration of the valuer shall not be linked to or based on the value of the assets being valued.
- iv. The valuer shall not be an associate (as defined under Regulation 2(1)(b) of the REIT Regulations) of our Sponsor, Manager or Trustee.
- v. The valuer shall have not less than five years of experience in valuation of real estate assets.
- vi. A valuer shall not undertake valuation of the same property for more than four years consecutively, provided that the valuer may be reappointed after a period of not less than two years from the date it ceases to be the valuer of the Brookfield REIT.
- vii. The valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last 12 months other than such cases where the valuer was engaged by the Brookfield REIT for such acquisition or disposal.

***Removal of the Valuer***

- i. Our Manager, in accordance with the REIT Regulations, other applicable laws and recommendation of the Audit Committee and approval of our Board, in consultation with the Trustee, may remove the valuer if it fails to comply with applicable law.
- ii. Our Unitholders may request for removal of the valuer and appointment of another valuer to the Brookfield REIT in accordance with the REIT Regulations. In case the removal of the valuer and appointment of another valuer to the Brookfield REIT has been taken up at the request of our Unitholders, approval from our Unitholders shall be required where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution. Such removal shall be intimated to the designated stock exchange.

***Valuation Methodology***

The Valuer shall undertake valuation of the assets in compliance with REIT Regulations.

***Frequency of Valuation and Declaration of NAV***

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

However, in case of any material development that may have an impact on the valuation of the assets of the Brookfield REIT, the Manager will require the Valuer to undertake a full valuation of the property under consideration, within not more than two months from the date of such event, and disclose the same to the Trustee, the Unitholders and the Stock Exchanges within 15 days of such valuation (or such other period as may be prescribed under the REIT Regulations).

The Manager is required to ensure that computation and declaration of NAV of the Brookfield REIT is based on the valuation done by the Valuer, not later than 15 days (or such other period as may be prescribed under the REIT Regulations) from the date of valuation and such computation shall be done and declared not less than once every six months (or such other period as may be prescribed under the REIT Regulations).

## **REDRESSAL OF INVESTOR GRIEVANCES**

The Manager (on behalf of the Brookfield REIT) has constituted a Stakeholders' Relationship Committee. The terms of reference of the Stakeholders' Relationship Committee include, *inter-alia*, to consider and resolve grievances of the Unitholders, including complaints related to the transfer/transmission of Units, non-receipt of annual report and non-receipt of declared distributions, issue of new/duplicate certificates, general meetings, etc.

The Manager adopted the investor grievance and redressal policy on September 26, 2020 which came into effect on February 11, 2021 which is applicable to the Brookfield REIT. The REIT Regulations require the submission of a quarterly statement of investor complains to the Stock Exchanges and the Trustee within 21 days from the end of each quarter. Also see "*Rights of Unitholders – Redressal of grievances*" beginning on page 347.

The Brookfield REIT is currently registered on the SCORES platform of SEBI.

During the Fiscal ended March 31, 2023, no investor complaints were received by the Manager. As at the date of this Preliminary Placement Document, there are no pending investor complaints received by the Manager (on behalf of the Brookfield REIT).

Our Manager estimates that the average time required for redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Manager seeks to redress complaints as expeditiously as possible. The Trustee shall periodically review the status of Unitholder's complaints and their redressal undertaken by our Manager. The Stakeholders' Relationship Committee of our Manager shall consider and resolve the grievances of the Unitholders.



## **SECTION V: FINANCIAL INFORMATION**

### **SUMMARY FINANCIAL INFORMATION**

The following tables set forth the summary financial information derived from:

- a) the audited financial statements of the Sponsor which were prepared in accordance with IFRS, as of and for the financial years ended December 31, 2022, December 31, 2021 and December 31, 2020;
- b) the audited financial statements of the Manager as of and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 derived from the standalone audited financial statements of our Manager, prepared in accordance with Ind AS and the Companies Act;
- c) the Special Purpose Condensed Combined Financial Statements of the Brookfield REIT;
- d) the Consolidated Financial Statements of the Brookfield REIT;
- e) the Special Purpose Condensed Combined and Carve-out Financial Statements of Downtown Powai SPV; and
- f) the Audited Financial Statements of G1 SPV.

The degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the REIT Regulations. Accordingly, any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the REIT Regulations on the summary financial information presented below should be limited.

The summary financial information derived from the relevant financial statements, as presented below, should be read together with the sections "*Management's Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations*" beginning on page 269, "*Unaudited Condensed Combined Pro forma Financial Information of the Brookfield REIT*" in Annexure A, "*Financial Information of the Brookfield REIT*" in Annexure B, and "*Financial Information of the Target SPVs*" in Annexure C.

**I. SUMMARY FINANCIAL INFORMATION OF THE SPONSOR**

*Statements of Financial Position - December 31, 2022, 2021 and 2020*

	2022	2021	2020
	US\$	US\$	US\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	120,462	1,553,907	6,688
Other receivables	125,286	112,418	2,154,381
Assets classified as held for sale	-	-	72,515,809
<b>Total current assets</b>	<b>245,748</b>	<b>1,666,325</b>	<b>74,676,878</b>
<b>Non-current asset</b>			
Financial asset at fair value through profit or loss	188,648,950	215,327,608	-
<b>Total assets</b>	<b>188,894,698</b>	<b>216,993,933</b>	<b>74,676,878</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade payables	40,329	40,329	40,219
Other payables	640,606	1,281,550	25,171
<b>Total current liabilities</b>	<b>680,935</b>	<b>1,321,879</b>	<b>65,390</b>
<b>Non-current liability</b>			
Bank loan	104,104,352	103,687,579	-
<b>Equity</b>			
Share capital	72,517,532	72,370,532	71,750,532
Accumulated profits	11,591,879	39,613,943	2,860,956
<b>Total equity</b>	<b>84,109,411</b>	<b>111,984,475</b>	<b>74,611,488</b>
<b>Total liabilities and equity</b>	<b>188,894,698</b>	<b>216,993,933</b>	<b>74,676,878</b>

*Statements of Profit or Loss and Other Comprehensive Income - Year ended December 31, 2022, 2021 and 2020*

	2022	2021	2020
	US\$	US\$	US\$
<b>Revenue</b>	7,898,234	6,552,893	20,488,797
Other income	985	183	577
Other operating expenses	(529,342)	(236,432)	(195,621)
Net gain arising on disposal of investment	-	131,373,334	-
Net (loss) gain arising on financial asset measured at fair value through profit or loss	(20,602,762)	13,614,671	-
Finance costs	(7,041,243)	(1,409,554)	-
<b>(Loss) profit before income tax</b>	<b>(20,274,128)</b>	<b>149,895,095</b>	<b>20,293,753</b>
Income tax expense	(415,423)	(335,108)	(2,056,057)
<b>(Loss) Profit for the year, representing total comprehensive (loss) income for the year</b>	<b>(20,689,551)</b>	<b>149,559,987</b>	<b>18,237,696</b>

*Statements of Cash Flows - Year ended December 31, 2022, 2021 and 2020*

	2022	2021	2020
	US\$	US\$	US\$
<b>Operating activities</b>			
(Loss) Profit before income tax	(20,274,128)	149,895,095	20,293,753
Adjustments for:			
Interest income on debentures	-	-	(143,539)
Interest income on bank balances	(985)	(183)	(577)
Dividend income	(7,898,234)	(6,552,893)	(20,345,258)
Interest expense on bank loan	6,574,670	1,259,563	-
Amortisation of deferred financing costs	466,573	149,991	-
Net gain arising on disposal of investment	-	(131,373,334)	-
Net loss (gain) arising on financial asset measured at fair value through profit or loss	20,602,762	(13,614,671)	-
Other foreign exchange adjustment (gain) loss	(428)	15,004	3,535
Operating cash flows before movement in working capital	(529,770)	(221,428)	(192,086)
Other receivables	(12,867)	2,026,960	(2,119,680)
Trade payable	-	110	(110)
Other payables	5,930	(3,184)	1,626,488
Cash (used in) generated from operations	(536,707)	1,802,458	(685,388)
Interest received from bank	985	182	577
Net cash (used in) from operating activities	(535,722)	1,802,640	(684,811)
<b>Investing activities</b>			
Interest received from debentures	-	-	270,272
Dividend received from related company	7,898,234	6,552,893	-
Dividend received from subsidiary	-	-	20,345,258
Withholding tax paid	(415,423)	(335,108)	(2,075,591)
Return of capital	6,075,896	2,176,206	-
Net cash from investing activities	13,558,707	8,393,991	18,539,939
<b>Financing activities</b>			
Proceeds from bank loan	-	103,537,588	-
Dividends paid	(7,332,513)	(112,807,000)	(18,488,221)
Repayment of interest on bank loan	(7,221,117)	-	-
Payment of deferred financing costs	(49,800)	-	-
Proceeds on issue of share capital	147,000	620,000	204,830
Net cash used in financing activities	(14,456,430)	(8,649,412)	(18,283,391)
Net (decrease) increase in cash and cash equivalents	(1,433,445)	1,547,219	(428,263)
Cash and cash equivalents at beginning of year	1,553,907	6,688	434,951
<b>Cash and cash equivalents at end of year</b>	<b>120,462</b>	<b>1,553,907</b>	<b>6,688</b>

## II. SUMMARY FINANCIAL INFORMATION OF THE MANAGER

### Balance Sheet

(All amounts are in INR million unless otherwise stated)

Particulars	As at March 31, 2023	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	517.03	426.91	3.00
Property, plant and equipment under development	1.66	-	-
Non current tax assets (net)	32.92	51.86	40.83
<b>Financial assets</b>			
- Other financial assets	39.33	58.96	-
Deferred tax assets (net)	34.01	22.40	19.39
<b>Total non-current assets</b>	<b>624.95</b>	<b>560.13</b>	<b>63.22</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	16.89	0.15	90.12
Cash and cash equivalents	315.50	346.01	184.04
Other bank balances	410.69	170.66	-
Other financial assets	132.47	293.73	89.78
Other current assets	11.31	18.91	15.51
<b>Total current assets</b>	<b>886.86</b>	<b>829.46</b>	<b>379.45</b>
<b>TOTAL ASSETS</b>	<b>1,511.81</b>	<b>1,389.59</b>	<b>442.67</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	10.70	10.70	10.70
Other equity	776.71	508.07	251.66
<b>Total equity</b>	<b>787.41</b>	<b>518.77</b>	<b>262.36</b>
<b>Non-current liabilities</b>			
Long term provisions	26.00	25.65	22.01
<b>Financial liabilities</b>			
Lease Liabilities	284.29	341.54	-
<b>Total non-current liabilities</b>	<b>310.29</b>	<b>367.19</b>	<b>22.01</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities	107.08	91.11	-
<b>Trade payables</b>			
Total outstanding dues of micro enterprises and small enterprises	4.46	0.25	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	60.63	9.93	13.24
Other financial liabilities	127.32	310.31	77.80
Other current liabilities	100.20	78.64	56.21
Provisions	14.42	13.39	11.05
<b>Total current liabilities</b>	<b>414.11</b>	<b>503.63</b>	<b>158.30</b>
<b>Total liabilities</b>	<b>724.40</b>	<b>870.82</b>	<b>180.31</b>
<b>Total Equity and Liabilities</b>	<b>1,511.81</b>	<b>1,389.59</b>	<b>442.67</b>

**Statement of Profit & Loss**

(All amounts are in INR million unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	1,317.95	952.50	590.14
Other income	31.23	9.51	1.65
<b>Total income</b>	<b>1,349.18</b>	<b>962.01</b>	<b>591.79</b>
<b>Expenses</b>			
Finance costs	46.32	6.51	-
Employee benefits expense	676.67	897.60	414.02
Depreciation expense	117.13	22.51	0.98
Other expenses	231.92	103.15	46.89
<b>Total expenses</b>	<b>1,072.04</b>	<b>1,029.77</b>	<b>461.89</b>
<b>(Loss)/Profit before tax</b>	<b>277.14</b>	<b>(67.76)</b>	<b>129.90</b>
<b>Tax expense:</b>			
-for current year	102.55	84.75	46.27
-for earlier years	6.60	-	-
Deferred tax	(11.68)	(3.74)	(5.68)
<b>(Loss)/Profit after tax</b>	<b>179.67</b>	<b>(148.77)</b>	<b>89.31</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations	0.27	2.91	4.04
- Income tax related to items that will not be reclassified to profit or loss	(0.07)	(0.73)	(1.02)
<b>Total other comprehensive income</b>	<b>0.20</b>	<b>2.18</b>	<b>3.02</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>179.87</b>	<b>(146.59)</b>	<b>92.33</b>

**Statement of Cash Flow**

(All amounts are in INR million unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities:</b>			
Profit before tax	277.14	(67.76)	129.90
<b>Adjustments</b>			
Gratuity expenses	10.08	8.30	7.39
Compensated absences	-	2.29	4.01
Employee benefits expense	57.95	272.33	33.50
Depreciation and amortization expenses	117.13	22.51	0.98
Restricted stock unit	30.82	15.13	-
Finance Cost	46.32	6.51	-
Interest income on fixed deposits with banks	(24.94)	(9.51)	(1.65)
<b>Operating profit before working capital changes</b>	<b>514.50</b>	<b>249.80</b>	<b>174.13</b>
<b>Adjustments:</b>			
(Increase) in current and non current financial assets	(114.87)	(175.28)	(31.67)
Increase/ (Decrease) in current and non current financial liabilities	(151.88)	227.70	(95.31)
Increase/ (Decrease) in other current and non current liabilities	22.59	22.48	(1.70)
<b>Cash generated from operations</b>	<b>270.34</b>	<b>324.70</b>	<b>45.45</b>
Net income tax paid	(90.21)	(95.78)	(50.25)
<b>Net cash flow generated / (used in) from operating activities (a)</b>	<b>180.13</b>	<b>228.92</b>	<b>(4.80)</b>
<b>B. Cash flow from investing activities:</b>			
Fixed deposits made	(600.69)	(170.66)	-
Fixed deposits matured	360.66	-	-
Capital expenditure on property, plant and equipment	(164.53)	(6.40)	(2.06)
Interest received on fixed deposits	20.38	8.45	1.66
<b>Net cash generated / (used in) investing activities (b)</b>	<b>(348.18)</b>	<b>(168.61)</b>	<b>(0.40)</b>
<b>C. Cash flow from financing activities:</b>			
Proceeds from issue of equity share	-	-	0.70
Security premium on issue of equity share during the year	-	-	55.30
Payment of lease liability	(91.68)	(13.88)	-
Contribution received from group companies relation to reimbursement of employee benefits expense	265.22	115.54	-
<b>Net cash generated from financing activities (c)</b>	<b>173.54</b>	<b>101.66</b>	<b>56.00</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>	<b>(30.51)</b>	<b>161.97</b>	<b>50.80</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>346.01</b>	<b>184.04</b>	<b>133.24</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>315.50</b>	<b>346.01</b>	<b>184.04</b>
<b>Components of cash and cash equivalents at the end of the year</b>			
Balances with banks			
-in current account	1.91	23.01	33.40
-in deposit account	313.59	323.00	150.64
	<b>315.50</b>	<b>346.01</b>	<b>184.04</b>

### III. SUMMARY FINANCIAL INFORMATION OF BROOKFIELD REIT

#### A. Special Purpose Condensed Combined Financial Statements

##### *Special Purpose Condensed Combined Balance Sheet*

(All amounts are in ₹ in million unless otherwise stated)

Particulars	As at March 31, 2021
<b>ASSETS</b>	
<b>Non-Current assets</b>	
Property, plant and equipment	122.43
Investment property	44,002.33
Investment property under development	791.74
Intangible assets	0.42
Financial assets	
-Other financial assets	1,222.27
Deferred tax assets (net)	5.30
Non-current tax assets (net)	1,527.81
Other non-current assets	38.04
<b>Total non-current assets</b>	<b>47,710.34</b>
<b>Current assets</b>	
Financial assets	
-Trade receivables	241.35
-Cash and cash equivalents	3,155.19
-Other bank balances	150.65
-Loans	-
-Other financial assets	464.80
Other current assets	157.31
<b>Total current assets</b>	<b>4,169.30</b>
<b>TOTAL ASSETS</b>	<b>51,879.64</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Unit Capital	81,774.78
Other equity	(58,743.39)
<b>Total equity</b>	<b>23,031.39</b>
<b>LIABILITIES</b>	
<b>Non current liabilities</b>	
Financial liabilities	
-Borrowings	21,015.17
-Lease liabilities	87.12
-Other financial liabilities	1,251.61
Long term provisions	10.86
Deferred tax liabilities (net)	1,001.87
Other non-current liabilities	336.57



Particulars	As at March 31, 2021
<b>Total non-current liabilities</b>	<b>23,703.20</b>
<b>Current liabilities</b>	
Financial liabilities	
-Lease liabilities	10.42
-Trade payables	
Total outstanding dues of micro enterprises and small enterprises	7.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	437.67
-Other financial liabilities	4,227.99
Short term provisions	4.49
Other current liabilities	336.26
Current tax liabilities (net)	120.39
<b>Total current liabilities</b>	<b>5,145.05</b>
<b>Total liabilities</b>	<b>28,848.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>51,879.64</b>

*Special Purpose Condensed Combined Statement of Profit & Loss*

*(All amounts are in ₹ in million unless otherwise stated)*

Particulars	For the year ended March 31, 2021
<b>Income and gains</b>	
Revenue from operations	8,628.01
Other income	161.52
<b>Total income</b>	<b>8,789.53</b>
<b>Expenses and losses</b>	
Cost of material consumed	12.88
Employee benefits expenses	219.27
Finance costs	5,531.18
Depreciation and amortization expenses	1,229.54
Valuation Expenses	5.78
Trustee fees	2.21
Other expenses	3,511.67
<b>Total expenses</b>	<b>10,512.53</b>
<b>Loss before income tax</b>	<b>(1,723.00)</b>
<b>Tax expense:</b>	
Current tax	
-for current years	24.77
-for earlier years	18.89
Deferred tax charge	219.29
<b>Tax expense for the year</b>	<b>262.95</b>
<b>Loss for the year</b>	<b>(1,985.95)</b>
<b>Other comprehensive income</b>	
Items that will not be reclassified to profit or loss	
- Remeasurement of defined benefit obligations	(0.55)
- Income tax related to items that will not be reclassified to profit or loss	0.18
<b>Other comprehensive loss for the year, net of tax</b>	<b>(0.37)</b>
<b>Total comprehensive loss for the year</b>	<b>(1,986.32)</b>

**Special Purpose Condensed Combined Statement of Cash Flow**

(All amounts are in ₹ in million unless otherwise stated)

Particulars	For the year ended March 31, 2021
<b>Cash flows from operating activities :</b>	
Loss before tax	(1,723.00)
<i>Adjustments for:</i>	
Depreciation and amortization expense	1,229.54
Allowance for credit loss	37.78
Loss on derivative relating to share conversion feature in 12% CCD at fair value through profit or loss	1,108.50
Interest income on fixed deposit	(58.09)
Deferred Income amortization	(155.73)
Credit impaired	26.90
Property, plant and equipment written off	1.12
Finance cost	5,531.18
Liabilities/provisions no longer required written back	(19.10)
Interest income on security deposit	(17.59)
<b>Operating cash flow before working capital changes</b>	<b>5,961.51</b>
<b>Adjustments :</b>	
Decrease in other current and non current assets	43.26
(Decrease) in other current and non current liabilities	(66.88)
Decrease in current and non current financial assets	346.96
(Decrease) in current and non current financial liabilities	(292.88)
<b>Cash flows generated from operating activities</b>	<b>5,991.97</b>
Income taxes paid (net of refund)	274.83
<b>Net cash flows generated from operating activities (A)</b>	<b>6,266.80</b>
<b>Cash flow from investing activities :</b>	
Expenditure incurred on investment property	(929.17)
Purchase of property, plant and equipment	(36.95)
Fixed deposits matured	7,990.04
Fixed deposits made	(8,173.65)
Interest received on fixed deposits	60.99
Interest received others	17.59
<b>Net cash flow generated used in investing activities (B)</b>	<b>(1,071.15)</b>
<b>Cash flow from financing activities :</b>	
Finance costs paid	(6,058.09)
Proceeds from long-term borrowings	44,579.99
Repayment of Lease liabilities	(7.28)
Repayment of non convertible bonds	(21,000.00)
Repayment of long-term borrowing	(56,908.40)
Payment for dividend	(1,851.92)
Repayment of inter corporate deposits	(1,603.94)
Interest paid on inter corporate deposits	(188.10)
Proceeds from issue of debentures	256.00
Repayment of debentures	(256.00)
Proceeds from issue of Unit	38,000.00

Particulars	For the year ended March 31, 2021
Expense incurred towards Initial public offerings	(268.14)
<b>Net cash flow used in financing activities (C)</b>	<b>(5,305.88)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(110.23)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,265.42</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,155.19</b>
<b>Components of cash and cash equivalents at the end of the year</b>	
Balances with banks	
- in current account	1,132.32
- in deposit account	590.00
- in escrow account	1,432.87
	<b>3,155.19</b>

**B. Consolidated Financial Statements**

**Consolidated Balance Sheet**

(All amounts are in ₹ in million unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	186.80	154.90
Investment property	134,056.77	134,419.98
Investment property under development	1,216.94	1,745.46
Intangible assets	0.01	0.13
Financial assets		
-Other financial assets	798.29	1,437.33
Deferred tax assets (net)	3,690.79	3,755.46
Non-current tax assets (net)	2,129.84	2,416.27
Other non-current assets	128.48	175.54
<b>Total non-current assets</b>	<b>142,207.92</b>	<b>144,105.07</b>
<b>Current assets</b>		
Financial assets		
-Trade receivables	239.04	224.88
-Cash and cash equivalents	2,096.55	2,043.65
-Other bank balances	483.64	506.49
-Loans	-	-
-Other financial assets	990.19	755.31
Other current assets	389.64	222.58
<b>Total current assets</b>	<b>4,199.06</b>	<b>3,752.91</b>
<b>TOTAL ASSETS</b>	<b>146,406.98</b>	<b>147,857.98</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Unit Capital	86,556.65	89,867.31
Other equity	(3,219.27)	(1,046.38)
<b>Total equity</b>	<b>83,337.38</b>	<b>88,820.93</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Financial liabilities		
-Borrowings	53,984.16	50,993.53
-Lease liabilities	220.39	220.44
-Other financial liabilities	1,261.07	1,329.30
Provisions	23.87	18.91
Other non-current liabilities	935.14	645.93
<b>Total non-current liabilities</b>	<b>56,424.63</b>	<b>53,208.11</b>
<b>Current liabilities</b>		
Financial liabilities		
-Borrowings	536.22	661.81
-Lease liabilities	342.93	27.73
-Trade payables		
Total outstanding dues of micro enterprises and small enterprises	76.54	60.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	578.42	577.13
-Other financial liabilities	4,577.11	4,061.26
Provisions	9.99	7.32
Other current liabilities	403.64	312.67
Current tax liabilities (net)	120.12	120.64
<b>Total current liabilities</b>	<b>6,644.97</b>	<b>5,828.94</b>
<b>Total liabilities</b>	<b>63,069.60</b>	<b>59,037.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>146,406.98</b>	<b>147,857.98</b>

**Consolidated Statement of Profit & Loss**

(All amounts are in ₹ in million unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income and gains</b>		
Revenue from operations	11,969.99	8,767.91
Other income	324.80	224.23
<b>Total income</b>	<b>12,294.79</b>	<b>8,992.14</b>
<b>Expenses</b>		
Cost of material consumed	54.84	24.02
Employee benefits expenses	347.31	196.85
Finance costs	4,324.57	2,080.69
Depreciation and amortization expenses	2,752.02	2,084.77
Investment management fees	80.11	81.21
Valuation Expenses	12.56	11.60
Trustee fees	2.95	2.95
Other expenses	3,316.53	2,268.06
<b>Total expenses</b>	<b>10,890.89</b>	<b>6,750.15</b>
<b>Profit before income tax</b>	<b>1,403.90</b>	<b>2,241.99</b>
<b>Tax expense:</b>		
Current tax		
-for current years	40.17	27.96
-for earlier years	(12.89)	(3.81)
Deferred tax charge/ (credit)	64.30	(245.01)
<b>Tax expense for the year</b>	<b>91.58</b>	<b>(220.86)</b>
<b>Profit for the year after income tax</b>	<b>1,312.32</b>	<b>2,462.85</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit obligations	1.03	1.19
- Income tax related to items that will not be reclassified to profit or loss	(0.37)	(0.20)
<b>Other comprehensive income for the year, net of tax</b>	<b>0.66</b>	<b>0.99</b>
<b>Total comprehensive income for the year</b>	<b>1,312.98</b>	<b>2,463.84</b>

*Consolidated Statement of Cash Flow*

(All amounts are in ₹ in million unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from operating activities :</b>		
Profit before tax	1,403.90	2,241.99
<i>Adjustments for :</i>		
Depreciation and amortization expense	2,752.02	2,084.77
Allowance for expected credit loss	10.22	10.08
Interest income on fixed deposit	(116.52)	(71.05)
Deferred Income amortization	(207.60)	(161.06)
Credit impaired	11.26	10.77
Restricted Stock Units	5.74	0.55
Finance cost	4,324.57	2,080.69
Interest income on security deposit	(32.36)	(28.38)
Fair value gain on income support	(77.46)	(31.58)
<b>Operating cash flow before working capital changes</b>	<b>8,073.77</b>	<b>6,136.78</b>
<b>Movement in working capital:</b>		
(Increase)/Decrease in other current and non current assets	(92.33)	(34.88)
Increase/(Decrease) in other current and non current liabilities	373.34	227.31
Decrease in current and non current financial assets	448.58	42.89
Increase/(Decrease) in current and non current financial liabilities	156.13	(138.05)
<b>Cash generated from operating activities</b>	<b>8,959.49</b>	<b>6,234.05</b>
Income taxes (paid)/ refunds received (net)	258.63	(174.85)
<b>Net cash generated from operating activities (A)</b>	<b>9,218.12</b>	<b>6,059.20</b>
<b>Cash flows from investing activities :</b>		
Expenditure incurred on investment property	(885.85)	(873.33)
Purchase of property, plant and equipment	(53.70)	(42.42)
Payment for acquisition of subsidiary, including directly attributable expenses	(11.52)	(13,258.02)
Fixed deposits matured	512.15	273.29
Fixed deposits made	(500.17)	(223.56)
Interest received on fixed deposits	126.42	61.95
Interest received on security deposit	32.36	28.38
<b>Net cash used in investing activities (B)</b>	<b>(780.31)</b>	<b>(14,033.71)</b>
<b>Cash flow from financing activities :</b>		
Finance costs paid	(4,105.97)	(2,152.60)
Proceeds from long-term borrowings	3,400.00	15,909.99
Repayment of Lease liabilities	(305.57)	(11.02)
Repayment of long-term borrowing	(567.18)	(5,627.38)
Proceeds from issue of Unit	-	4,949.83
Expense incurred towards Initial public offerings	-	(1,201.97)
Expense incurred towards preferential allotment	(4.00)	(44.92)
Distribution to unitholders	(6,802.19)	(5,147.53)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(8,384.91)</b>	<b>6,674.40</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>52.90</b>	<b>(1,300.11)</b>
<b>Cash and cash equivalents at the beginning of the period/ year</b>	<b>2,043.65</b>	<b>3,155.19</b>
<b>Cash and cash equivalents acquired due to asset acquisition</b>	<b>-</b>	<b>188.57</b>
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>2,096.55</b>	<b>2,043.65</b>
<b>Components of cash and cash equivalents at the end of the year</b>		
Balances with banks		
- in current account	38.05	193.65
- in deposit account	2,058.50	1,850.00
	<b>2,096.55</b>	<b>2,043.65</b>

**IV. SUMMARY FINANCIAL INFORMATION OF DOWNTOWN POWAI SPV**

**Special Purpose Condensed Combined and Carve-out Balance Sheet Particulars**

*(All amounts are in INR million unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	31.29	27.54	28.65
Investment property	31,997.16	32,032.34	32,184.28
Investment property under development	531.16	422.14	129.89
Goodwill	5,649.99	5,649.99	5,649.99
Other intangible assets	0.73	0.46	0.64
<b>Financial assets</b>			
Investments	-	1,058.98	756.12
Other financial assets	752.50	744.59	893.86
Other tax assets (net)	528.58	816.93	1,001.78
Other non-current assets	31.12	18.42	2.71
<b>Total non-current assets</b>	<b>39,522.53</b>	<b>40,771.39</b>	<b>40,647.92</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	130.28	50.06	142.99
Cash and cash equivalents	450.31	73.04	187.54
Other bank balances	476.91	407.47	8.61
Other financial assets	973.10	223.59	523.83
Other current assets	28.95	68.06	83.05
<b>Total current assets</b>	<b>2,059.55</b>	<b>822.22</b>	<b>946.02</b>
<b>TOTAL ASSETS</b>	<b>41,582.08</b>	<b>41,593.61</b>	<b>41,593.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	97.59	97.59	97.59
Other equity	(1,886.51)	(1,549.24)	(670.00)
<b>Total equity</b>	<b>(1,788.92)</b>	<b>(1,451.65)</b>	<b>(572.41)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	37,838.20	39,132.97	38,121.93
Other financial liabilities	777.80	510.68	546.11
Provisions	9.93	7.64	5.11
Other non-current liabilities	96.72	90.75	79.22
<b>Total non-current liabilities</b>	<b>38,722.65</b>	<b>39,742.04</b>	<b>38,752.37</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	1,905.05	258.63	577.51
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	61.13	64.19	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	193.33	175.14	130.09
Other financial liabilities	2,178.61	2,527.38	2,382.28
Other current liabilities	305.85	273.68	323.86
Provisions	0.48	0.30	0.24
Current tax liabilities (net)	3.90	3.90	-
<b>Total current liabilities</b>	<b>4,648.35</b>	<b>3,303.22</b>	<b>3,413.98</b>
<b>Total liabilities</b>	<b>43,371.00</b>	<b>43,045.26</b>	<b>42,166.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,582.08</b>	<b>41,593.61</b>	<b>41,593.94</b>



**Special Purpose Condensed Combined and Carve-out Statement of Profit and Loss**

*(All amounts are in INR million unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	4,814.31	4,254.25	4,339.07
Other income	94.47	103.31	70.96
<b>Total income</b>	<b>4,908.78</b>	<b>4,357.56</b>	<b>4,410.03</b>
<b>Expenses</b>			
Cost of materials consumed	8.91	-	-
Employee benefits expense	120.11	86.35	70.22
Finance costs	3,706.12	3,593.04	3,554.39
Depreciation and amortisation expense	563.16	509.54	475.68
Other expenses	942.31	937.97	777.32
<b>Total expenses</b>	<b>5,340.61</b>	<b>5,126.90</b>	<b>4,877.61</b>
<b>Loss before tax</b>	<b>(431.83)</b>	<b>(769.34)</b>	<b>(467.58)</b>
<b>Tax expense:</b>			
Current tax (including earlier years)	-	3.24	(0.83)
Deferred tax	-	-	-
<b>Tax expense/(benefit) for the year</b>	<b>-</b>	<b>3.24</b>	<b>(0.83)</b>
<b>Loss for the year</b>	<b>(431.83)</b>	<b>(772.58)</b>	<b>(466.75)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit and loss			
- Remeasurement of defined benefit obligations	1.23	0.38	0.27
- Income tax related to items that will not be reclassified to profit and loss	-	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>1.23</b>	<b>0.38</b>	<b>0.27</b>
<b>Total comprehensive loss for the year</b>	<b>(430.60)</b>	<b>(772.20)</b>	<b>(466.48)</b>

**Special Purpose Condensed Combined and Carve-out Statement of Cash Flows**
*(All amounts are in INR million unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities :</b>			
Loss before tax	(431.83)	(769.34)	(467.58)
Adjustments for :			
Depreciation and amortisation expenses	563.16	509.54	475.68
Interest income on fixed deposits	(36.82)	(9.61)	(5.63)
Interest on income tax refund	(29.94)	(58.02)	(19.53)
Finance costs	3,706.12	3,593.04	3,554.39
Liabilities no longer required written back	(4.09)	(4.56)	(26.48)
Credit impaired	0.20	20.01	0.50
Allowance for credit loss	-	0.09	5.03
Gain on disposal of property plant and equipment	-	(0.01)	-
Loss on derivative instrument at fair value through profit and loss	38.90	100.50	27.70
Interest income on security deposit	(84.33)	(65.70)	(125.70)
<b>Operating cash flows before working capital changes</b>	<b>3,721.37</b>	<b>3,315.94</b>	<b>3,418.38</b>
<b>Change in working capital:</b>			
Increase in current and non current financial assets - others	(795.18)	(118.27)	(473.47)
(Increase)/decrease in trade and other receivables	(80.41)	72.83	(62.79)
Decrease/(increase) in other assets	17.41	12.43	(39.21)
Decrease in current and non current financial liabilities -others	(154.00)	(184.95)	(40.15)
Increase in provisions	3.71	2.99	2.34
Increase in trade and other payables	19.22	113.80	46.93
Increase in other liabilities	122.48	27.05	65.55
<b>Cash generated from operating activities</b>	<b>2,854.60</b>	<b>3,241.82</b>	<b>2,917.58</b>
Income tax refund (net)	288.35	185.51	93.75
<b>Net cash flows generated from operating activities (A)</b>	<b>3,142.95</b>	<b>3,427.33</b>	<b>3,011.33</b>
<b>Cash flow from investing activities :</b>			
Acquisition of investment property	(631.96)	(490.08)	(1,141.45)
Acquisition of property, plant and equipment	(11.98)	(4.81)	(5.38)
Proceeds from sale of property, plant and equipment and investment property	-	0.04	(1.15)
Proceeds from sale of investments	1,117.93	-	0.01
Income from REIT units	34.38	57.37	-
Bank deposits (having original maturity of more than three months)	(69.44)	(398.86)	(2.07)
Interest received on fixed deposits	35.82	9.61	5.63
Interest on income tax refund	29.94	58.02	19.53
<b>Net cash flows used in investing activities (B)</b>	<b>504.69</b>	<b>(768.71)</b>	<b>(1,124.88)</b>
<b>Cash flow from financing activities :</b>			
Finance costs paid	(2,833.99)	(2,578.88)	(2,698.43)
Proceeds from long-term borrowings	-	340.40	885.92
Repayment of long-term borrowings	(265.68)	(935.83)	(502.62)
Proceeds from issue of debentures	1,475.31	401.19	347.89
Repayment of debentures	(1,646.00)	-	-
<b>Net cash used in financing activities (C)</b>	<b>(3,270.36)</b>	<b>(2,773.12)</b>	<b>(1,967.24)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>377.28</b>	<b>(114.50)</b>	<b>(80.79)</b>
Cash and cash equivalents at the beginning of the year	73.03	187.54	126.19
Cash and cash equivalents received pursuant to the Scheme of Amalgamation and Arrangement	-	-	142.14
<b>Cash and cash equivalents at the end of the year</b>	<b>450.31</b>	<b>73.04</b>	<b>187.54</b>
<b>Components of cash and cash equivalents at the end of the year</b>			
Balances with banks			

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
- in current account	20.97	70.74	112.64
- in deposit account	429.34	2.30	74.90
	<b>450.31</b>	<b>73.04</b>	<b>187.54</b>

**V. SUMMARY FINANCIAL INFORMATION OF G1 SPV**

**Balance Sheet**

(All amounts are in INR million unless otherwise stated)

Particulars	As at March 31, 2023	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	46.16	44.45	38.14
Intangible assets	0.19	0.43	0.67
Investment property	22,261.47	22,653.25	22,900.61
Investment property under development	194.79	6.16	6.08
Financial assets			
-Other financial assets	368.53	263.14	279.96
Non-current tax assets (net)	225.15	878.92	805.96
Other non-current assets	10.47	33.18	53.14
<b>Total non-current assets</b>	<b>23,106.76</b>	<b>23,879.53</b>	<b>24,084.56</b>
<b>Current assets</b>			
Financial assets			
-Trade receivables	23.37	17.13	9.34
-Cash and cash equivalents	773.20	149.04	513.00
-Other bank balances	159.23	74.04	0.86
-Loans	-	-	-
-Other financial assets	69.72	69.95	142.23
Other current assets	30.75	63.58	75.86
<b>Total current assets</b>	<b>1,056.27</b>	<b>373.74</b>	<b>741.29</b>
<b>TOTAL ASSETS</b>	<b>24,163.03</b>	<b>24,253.27</b>	<b>24,825.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	0.10	0.10	0.10
Other equity	(9,377.90)	(8,923.76)	(8,268.79)
<b>Total equity</b>	<b>(9,377.80)</b>	<b>(8,923.66)</b>	<b>(8,268.69)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	26,958.67	27,915.12	28,326.28
Other financial liabilities	426.24	426.60	294.95
Deferred tax liabilities (net)	2,516.65	2,614.73	2,694.11
Other non-current liabilities	101.34	67.97	57.05
<b>Total non-current liabilities</b>	<b>30,002.90</b>	<b>31,024.42</b>	<b>31,372.39</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	1,909.25	636.42	224.37
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21.49	20.62	0.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	118.01	115.46	134.91
Other financial liabilities	1,400.04	1,299.86	1,233.79
Other current liabilities	79.71	72.22	124.61
Current tax liabilities (net)	9.43	7.93	4.37
<b>Total current liabilities</b>	<b>3,537.93</b>	<b>2,152.51</b>	<b>1,722.15</b>
<b>Total liabilities</b>	<b>33,540.83</b>	<b>33,176.93</b>	<b>33,094.54</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,163.03</b>	<b>24,253.27</b>	<b>24,825.85</b>

**Statement of Profit & Loss**

(All amounts are in INR million unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	3,556.18	3,088.67	3,107.60
Other income	92.03	13.03	7.18
<b>Total income</b>	<b>3,648.21</b>	<b>3,101.70</b>	<b>3,114.78</b>
<b>Expenses</b>			
Finance costs	2,741.98	2,499.32	2,502.26
Depreciation and amortisation expenses	539.88	540.48	500.70
Other expenses	918.71	796.26	730.63
<b>Total expenses</b>	<b>4,200.57</b>	<b>3,836.06</b>	<b>3,733.59</b>
<b>(Loss) before tax</b>	<b>(552.36)</b>	<b>(734.36)</b>	<b>(618.81)</b>
<b>Tax expense</b>			
Current tax			
- for current years	-	-	-
- for earlier years	(0.15)	-	(1.44)
Deferred tax (credit)	(98.07)	(79.39)	(146.13)
<b>(Loss) for the year</b>	<b>(454.14)</b>	<b>(654.97)</b>	<b>(471.24)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) for the year</b>	<b>(454.14)</b>	<b>(654.97)</b>	<b>(471.24)</b>

**Statement of Cash Flow**

(All amounts are in INR million unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities:</b>			
<b>(Loss) before tax</b>	<b>(552.36)</b>	<b>(734.36)</b>	<b>(618.81)</b>
Adjustments for:			
Depreciation and amortization expenses	539.88	540.48	500.70
Interest income on fixed deposit	(26.19)	(11.90)	(6.29)
Advances written off	-	0.02	2.00
Property plant and equipment written off	-	-	0.04
Credit Impaired	7.07	2.09	-
Allowance for expected credit loss	-	-	0.07
Finance cost	2,741.98	2,499.32	2,502.26
Deferred income amortization	(59.08)	(40.71)	(39.89)
Liabilities no longer required written back	(2.05)	(0.03)	-
<b>Operating cash flow before working capital changes</b>	<b>2,649.25</b>	<b>2,254.91</b>	<b>2,340.08</b>
<b>Adjustments:</b>			
Decrease/(Increase) in other current and non current assets	32.67	12.72	(36.80)
(Increase) / Decrease in current and non current financial assets	(107.46)	84.61	(3.67)
(Decrease) / Increase in current and non current financial liabilities	(98.25)	88.23	(8.90)
(Decrease) in other current and non current liabilities	(4.66)	(64.42)	(48.27)
<b>Cash flows generated from operating activities</b>	<b>2,471.55</b>	<b>2,376.05</b>	<b>2,242.44</b>
Income tax refund / (paid)	655.41	(69.40)	(105.25)
<b>Net cash flows generated from operating activities (A)</b>	<b>3,126.96</b>	<b>2,306.65</b>	<b>2,137.19</b>
<b>Cash flow from investing activities:</b>			
Expenditure incurred on investment property	(265.12)	(282.43)	(756.39)
Purchase of property, plant and equipment	(7.66)	(11.17)	(17.84)
Fixed deposits matured	222.66	81.86	31.33
Fixed deposits made	(308.01)	(154.91)	(153.73)
Interest received on fixed deposit	17.39	6.40	10.17
<b>Net cash (used in) investing activities (B)</b>	<b>(340.74)</b>	<b>(360.25)</b>	<b>(886.46)</b>
<b>Cash flow from financing activities:</b>			
Finance cost paid	(2,532.87)	(2,352.82)	(2,493.02)
Proceeds from long-term borrowings	825.00	400.00	5,895.02
Repayment of long-term borrowing	(454.19)	(357.54)	(4,433.75)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,162.06)</b>	<b>(2,310.36)</b>	<b>(1,031.75)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>624.16</b>	<b>(363.96)</b>	<b>218.97</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>149.04</b>	<b>513.00</b>	<b>294.03</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>773.20</b>	<b>149.04</b>	<b>513.00</b>
<b>Components of cash and cash equivalents at the end of the year</b>			
Balances with banks			
- in current account	9.20	58.54	48.24
- in deposit account	764.00	90.50	464.76
	<b>773.20</b>	<b>149.04</b>	<b>513.00</b>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FACTORS AFFECTING THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion of our financial condition and results of operations is based on and should be read in conjunction with the Consolidated Financial Statements as of and for the Financial Years 2023 and 2022; and the Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021, including the related notes, schedules and annexures. Further, any reference in the following discussion to financial information as of and for the Financial Years 2023 and 2022 is to such information derived from the Consolidated Financial Statements; to financial information as of and for the Financial Year 2021 is to such information derived from the Special Purpose Condensed Combined Financial Statements.*

*The Special Purpose Condensed Combined Financial Statements present the combined historical financial information of Brookfield India REIT and the Portfolio Companies (excluding SDPL Noida), which have been prepared as per the requirement of Securities and Exchange Board of India circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (“SEBI Circular”), in accordance with the Guidance note on Reports in Company Prospectuses (Revised 2019) and the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India (“ICAI”) (the “Guidance Notes”) using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (‘Ind AS’) to the extent not inconsistent with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended (“REIT Regulations”). The Special Purpose Condensed Combined Financial Statements do not include all the information and disclosures that would otherwise be required in a full set of financial statements. The Special Purpose Condensed Combined Financial Statements are special purpose financial statements and have been prepared by the Manager for the purpose of inclusion in the Preliminary Placement Document and Placement Document (together known as the “Placement Documents”) to be filed with National Stock Exchange of India Limited and BSE Limited in connection with proposed institutional placement of its Units. As a result, the Special Purpose Condensed Combined Financial Statements may not be suitable for any other purpose. Further the Special Purpose Condensed Combined Financial Statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013, as amended.*

*The Brookfield REIT was set up on July 17, 2020 and has been in existence for a period lesser than three completed financial years. Brookfield REIT acquired the Portfolio Companies (excluding SDPL Noida) on February 8, 2021. The Special Purpose Condensed Combined Financial Statements are prepared based on an assumption that all the Portfolio Companies (excluding SDPL Noida) were part of Brookfield REIT for such period when Brookfield REIT was not in existence.*

*It should be noted that the basis of preparation of the Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021 is significantly different from the basis of preparation of the Consolidated Financial Statements as of and for the Financial Years 2022 and 2023. As a result, our state of affairs as of March 31, 2021 and our profit, changes in equity and cash flows for the year then ended as per the Special Purpose Condensed Combined Financial Statements, and our state of affairs as of March 31, 2022 and 2023, and our profit, changes in equity and cash flows for the years then ended as per the Consolidated Financial Statements, are significantly different and are not comparable. For further details, see “- Lack of Comparability of Years under Discussion” on page 275.*

*References herein to the “Current Portfolio” are to the property portfolio of the Brookfield REIT prior to the Acquisition Transactions and to the “Expanded Portfolio” are to the post-Acquisition Transactions portfolio of the Brookfield REIT. We present various pro forma financial and operational information in this section to show the impact of the Acquisition Transactions. Upon successful completion of the Acquisition Transactions, we expect Downtown Powai and Candor Techspace G1 to be consolidated into our financial statements going forward. Accordingly, the pro forma and operational information included in this section takes into account the full operational and financial information of these entities. However, it should be noted that the Brookfield REIT’s share of the NDCF of Downtown Powai and Candor Techspace G1 will be 50% (consistent with the post-Acquisition shareholding of Brookfield REIT in Downtown Powai and Candor Techspace G1).*

*This discussion and “Our Business and Properties” beginning on page 148 contain forward-looking statements, including strategies and financial projections, reflecting current views with respect to future events and financial performance. Such forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those anticipated, forecasted or projected in these statements. You should also read the sections titled “Risk Factors” and “Forward Looking Statements” beginning on pages 37 and 24, respectively, which discuss a number of factors, contingencies and assumptions that could affect our financial*

*condition and results of operations.*

## **Business Overview**

We are India's first institutionally managed public commercial real estate vehicle. We are sponsored by an affiliate of Brookfield Corporation (*erstwhile Brookfield Asset Management Inc.*), whose asset management division is one of the world's largest alternative asset managers with over US\$825 billion in assets under management, as of March 31, 2023. Our goal is to be the leading owner of high-quality, income-producing commercial real estate assets in key gateway Indian markets, which have significant barriers to entry.

Our Current Portfolio comprises five large campus-format office parks, which we believe are "business-critical" to our occupiers and are located in some of India's key gateway markets – Mumbai, Gurugram, Noida and Kolkata. As of March 31, 2023, our Current Portfolio totals 18.7 msf, comprising 14.3 msf of Completed Area, 0.6 msf of Under Construction Area and 3.9 msf of Future Development Potential.

Our Current Portfolio's Completed Area has an Effective Economic Occupancy of 88.9% (and a Committed Occupancy of 84.2%) as of March 31, 2023, and is leased to marquee multi-national corporations such as Accenture, Cognizant, Samsung and RBS. While a 7.9 year WALE provides stability to the cash flows of our Current Portfolio, we are well positioned to achieve further organic growth through a combination of contractual lease escalations, 20.7% mark-to-market headroom of in-place rents and lease-up of vacant areas. Our Current Portfolio is significantly complete and stable with Completed Areas constituting 93.8% of its GAV as of March 31, 2023.

We are committed to industry-leading sustainable development to deliver long term value to our stakeholders and to the communities we operate in. Some of our recent ESG initiatives include the execution of a power purchase agreement for Candor Techspace N1 and Candor Techspace N2 to procure 60% of the energy requirements through green energy by using the IEX platform, and installation of automatic tube cleaning systems in chillers at Candor Techspace G2 and Candor Techspace N2 to reduce condenser fouling and create energy savings. Our Manager also launched the Brookfield Properties Women's Network which is a forum dedicated to supporting the professional and leadership development of women. Further, we are actively tracking our emissions, closely working with relevant stakeholders and aim to achieve a net zero carbon footprint by 2040. We have also been recognized for our ESG efforts with accolades including a five-star rating awarded by GRESB in 2022, ISO 9001, ISO 14001 and ISO 45001 ratings for our Current Portfolio, and ISO 50001, platinum rating by Indian Green Building Council, Sword of Honour for Safety by British Safety Council and 5S gold rating by the Confederation of Indian Industry for some of our properties. We adopt strong corporate governance practices, and half of the Board of the Manager comprises independent directors. Additionally, we maintain protocols that are aimed at protecting the interests of Unitholders, including, a conservative leverage profile, simple and low fee structure and stringent oversight on related party transactions.

The primary objective of our strategy is to provide attractive risk-adjusted total returns to our Unitholders derived from:

- stable yield supported by our Current Portfolio's long-term contracted cash flows;
- property level income growth that is embedded in our Current Portfolio through contractual lease escalations, mark-to-market headroom of in-place rents and lease-up of vacant areas;
- opportunistic acquisitions; and
- asset value appreciation, through continuous investment in the properties to upgrade them.

On May 18, 2023, we entered into agreements for the acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV, which owns and operates Downtown Powai comprising nine buildings, all located in Hiranandani Gardens, Powai, together with land adjoining the buildings, along with amenities and right to access roads on a non-exclusive basis, set up over a total area of 20.0 acres. We have also entered into agreements for the acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV, which owns and operates Candor Techspace G1, set up over a total of 25.2 acres in Sector 48, Gurugram. For details, please refer to "*The Acquisition Transactions*" on page 204.

## **Significant Factors affecting our Results of Operations and Financial Condition**



Our results of operations and financial condition may be affected by a number of significant factors, including the following:

***General economic conditions, particularly in the cities and the micro-markets where the Expanded Portfolio assets are located, and of 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 Expanded Portfolio assets are 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 diseases such as the COVID-19 pandemic. 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 results of operations, especially if such a slowdown were to be 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. See also “*Risk Factors — Risks Related to India — Our business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have an adverse effect on our business, results of operations, financial condition and the price of our Units*” on page 71.

In the past, as a result of the implementation of lockdowns and other restrictive measures in response to the spread of the COVID-19 pandemic by the Government of India, the Indian economy, including the real estate sector, faced significant disruptions. This led to disruptions in our operations for certain periods. For instance, some of our tenants sought deferrals on their rental payments and lease commencement dates for new leases, or prematurely terminated the lease agreements in a limited number of cases. Further, our Manager provided rent waivers to amenity and food and beverage tenants. In addition, we had reduced our common area maintenance cost during the Financial Years 2022 and 2021, which had resulted in cost savings for our tenants. Further, certain tenants at our office parks had limited the number of their operating staff and hours, while others announced ‘work-from-home’ measures. Since then, a significant portion of our tenants have returned to work from the office parks. Notwithstanding their return to the office parks, many of our tenants retain flexible work arrangements and reduced numbers of days of work from the offices, and have down-sized their office spaces through arrangements such as hot-desking.

Changes to the occupancy at the Expanded Portfolio will affect our income from operating lease rentals and maintenance services. In addition, we rely on Candor Techspace G2 (which is owned by Candor Kolkata), which is located in the Gurugram North micro-market, and the NCR for a significant portion of our revenues. Revenue from operations from Candor Kolkata (for Candor Techspace G2) accounted for 29.2%, 36.8% and 42.4% of our revenue from operations for the Financial Years 2023, 2022 and 2021, respectively. In addition, the NCR (revenue from Candor Techspace G2, Candor Techspace N1 and Candor Techspace N2) accounted for 67.7%, 56.7% and 56.2% of our revenue from operations for the Financial Years 2023, 2022 and 2021, respectively. Going forward, assuming completion of the Acquisition Transactions, while our presence in the NCR will further increase due to the addition of Candor Techspace G1 (located in Gurugram), the relative contribution of Candor Kolkata to our revenue from operations should proportionately reduce.

Further, we depend on certain industry sectors for a significant portion of our revenues. As of March 31, 2023, 45.5% of the Gross Contracted Rentals of our Current Portfolio was leased to tenants in the technology sector, while 20.3% was leased to tenants in the consulting and analytics sector and 11.8% was leased to tenants in the financial services sector. Consequently, any developments affecting the demand for commercial real estate for Candor Techspace G2 or in the NCR or demand from technology, consulting and financial services sectors may affect our results of operations. Further, for Kensington, the terms of the governmental permissions, i.e., the permanent registration as a private sector information technology park require us to lease 80% of the total built-up area of the property to tenants from the IT/ITES sector.

Additionally, 78.0% of our Gross Contracted Rentals as of March 31, 2023 are contracted with multi-national corporations. Accordingly, global and local factors impacting their business may affect their ability to service their lease agreements or expand the office space that they lease in the Expanded Portfolio.

***Leasable Area of the Expanded Portfolio, including Under Construction Area and Future Development Potential***

Our results of operations will be affected by changes in the Leasable Area of the Expanded Portfolio. The Expanded Portfolio comprises Leasable Area of 25.2 msf, of which 20.6 msf was Completed Area and 4.6 msf was Under Construction Area and Future Development Potential. The timely completion of under construction projects, including within budgeted costs and meeting delivery schedules for any area that has been pre-leased, will positively affect our results of operations. Prior to undertaking construction activity, our Manager analyzes recent and current demand and supply dynamics along with the absorption trends in the relevant micro-market. However, the completion of development projects within anticipated timelines and estimated costs are subject to several factors beyond our control such as the timely receipt of regulatory approvals at various stages of construction, fluctuations in the price of construction materials, availability of equipment and labor, access to utilities and availability of financing. See *“Risk Factors — Risks Related to our Business and Industry - There can be no assurance that the Under Construction Area or Future Development Potential will be completed in its entirety in accordance with anticipated timelines or cost, or that we will achieve the results expected from such projects, which may adversely affect our reputation, business, results of operations and financial condition”* on page 50.

#### ***Addition of Leasable Area through acquisitions***

We acquired SDPL Noida (which owns Candor Techspace N2) on January 24, 2022, which has resulted in an addition of 4.6 msf to our Current Portfolio, as of March 31, 2023. Consistent with Brookfield’s growth strategy, our Manager will continue to evaluate potential acquisition opportunities to increase the Leasable Area. On May 18, 2023, we entered into agreements to acquire 50% share capital (on a fully diluted basis) of Downtown Powai SPV and G1 SPV. Once completed, these acquisitions will be transformative for our growth and will increase our operating area by 44.4% and consolidated gross asset value by 72.8%. Downtown Powai is a prime office and high-street retail portfolio and comprises nine commercial properties located in Hiranandani Gardens, Mumbai. Candor Techspace G1, Gurugram is one of the largest high quality campus office developments in Gurugram, spread across an area of 25.2 acres. Pursuant to the Asset Acquisition, our Enlarged Portfolio’s Completed Area will increase to 20.6 msf from 14.3 msf of Completed Area in our Current Portfolio, reflecting an increase of 44.4%, and our consolidated GAV will increase by 72.8% to ₹282,892 million. Further, the Asset Acquisition will lead to an increase in our Effective Economic Occupancy from 88.9% to 91.0%, and the addition of premium asset infrastructure will lead to a 23.1% increase in the in-place rent from ₹65 psf to ₹80 psf. For further details, see *“Our Business and Properties — The Acquisition Transactions”* on page 159.

We plan to continue to explore opportunities to acquire (in entirety or in part), manage and own high-quality income-producing commercial real estate assets in key Indian gateway cities, such as those located in prime and preferred locations and with high transportation connectivity and proximate residential catchments for the tenants’ workforce. For further details, see *“Our Business — Business and Growth Strategies — Pursue Disciplined and Accretive Acquisition Growth Opportunities”* on page 157. Each new acquisition that we complete may affect our overall results of operations and financial position. In addition, the acquisition of assets in the future may require significant working capital and long-term funding and are subject to several risks and uncertainties. See *“Risk Factors — Risks Related to our Business and Industry — Our Manager cannot assure you that it will be able to successfully complete future acquisitions or efficiently manage the assets that we may acquire in the future. Further, any future acquisitions may be subject to acquisition related risks.”* on page 49. Our ability to acquire properties will depend on our ability to secure financing on commercially viable terms, which will in part depend upon the prevailing interest rates at the time of acquisition.

#### ***Rental Rates***

Our revenue from operations primarily comprise income from operating lease rentals and maintenance services, and consequently rental rates at the Expanded Portfolio will significantly affect our results of operations. Our revenue from operations was ₹11,970 million, ₹8,768 million and ₹8,628 million for the Financial Years 2023, 2022 and 2021, respectively. Further, our income from operating lease rentals was ₹8,268 million, ₹6,476 million and ₹6,100 million, representing 69.1%, 73.9% and 70.7% of our revenue from operations for the Financial Years 2023, 2022 and 2021, respectively. The rental rates that we charge depend on various factors, including the location of the asset, the quality of the asset, upkeep and maintenance of the asset, the prevailing economic conditions as well as conditions in the micro market, changes in market rental rates and competitive pricing pressures, changes in governmental policies relating to zoning and land use, demand and supply dynamics in the micro market, the range of amenities and ancillary services provided at the asset, and 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 (for details, see *“Our Business and*

*Properties – Description of other aspects of our business – Lease agreements” on page 196).*

Further, the Expanded Portfolio assets 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. Our Manager believes that the average rental rates for in-place leases at the Expanded Portfolio are generally below the current market rates (for details, see “*Industry Overview – Brookfield REIT Markets*” on page 111) and expects to benefit from the significant upside arising from mark-to-market potential through upcoming lease renewals.

### ***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 Expanded Portfolio depends on the office park and its location and typically ranges between five to 15 years, with a typical initial commitment of five years and the option to renew the lease post the initial commitment period.

Our results of operations are also significantly impacted by the levels of Committed Occupancy at the Expanded Portfolio. Occupancy rates depend on several factors such as demand for and comparable supply of commercial real estate in the micro-markets in which the Expanded Portfolio assets are located, 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. The Expanded Portfolio assets are Grade-A office parks, which are in high demand on account of their significant size, scale and diverse range of amenities offered, integrated campus ecosystem and marquee tenant profile and are characterized by larger floor plates and energy efficient infrastructure. 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 a 78% tenant retention rate between April 1, 2015 and March 31, 2023.

As of March 31, 2023, the Expanded Portfolio had a Committed Occupancy of 83.3%, Effective Economic Occupancy of 91% and a WALE of 7.1 years. The Committed Occupancy and WALE of the Expanded Portfolio assets as of such date is as follows:

<b>Name of Asset</b>	<b>Committed Occupancy</b>	<b>WALE (In Years)</b>
Kensington	86.9%	11.51
Candor Techspace G2	84.5%	7.74
Candor Techspace N1	96.2%	7.30
Candor Techspace K1	83.5%	7.07
Candor Techspace N2	77.0%	7.41
Downtown Powai	89.3%	3.83
Candor Techspace G1	75.4%	6.68

Our Manager intends to continue to strengthen its long-term relationships with the tenants in the Expanded Portfolio assets 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 our Manager improve tenant retention levels and attract new tenants. However, in cases where tenants do not renew leases or terminate leases earlier than expected, it generally takes some time to find new tenants which can lead to periods where we have vacant areas within the Expanded Portfolio assets that do not generate facility rentals.

### ***Income from Maintenance Services***

We provide common area maintenance services, including security and housekeeping services to our tenants, for which we derive income from maintenance 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. Our income from maintenance services for the Financial Years 2023, 2022 and 2021 was ₹3,632 million, ₹2,263 million, and ₹2,415 million, respectively, and accounted for 30.3%, 25.8% and 28.0%, respectively, of our revenue from operations for such Financial Years. Factors which impact our income from maintenance services include (but are not limited to) asset occupancy levels, general cost inflation, periodic renovation, refurbishments and lease expiries.

### ***Cost of Financing and Capital Expenditure***

We may raise medium and long-term debt to fund asset acquisitions and project development activities. Accordingly, our ability to raise requisite debt financing, as well as the cost of raising such debt financing, will affect our results of operations. Our finance costs were ₹4,325 million, ₹2,081 million and ₹5,531 million, or 36.1%, 23.7% and 64.1% of our revenue from operations for the Financial Years 2023, 2022 and 2021, respectively. The decrease in our finance costs in Financial Year 2022 as compared to Financial Year 2021 was primarily due to the use of proceeds from our IPO for repayment of the indebtedness of our Asset SPVs. The increase in our finance costs in Financial Year 2023 as compared to Financial Year 2022 was primarily due to additional loans undertaken by us for the acquisition of SDPL Noida and an increase in our consolidated loans due to consolidation of borrowings undertaken by SDPL Noida, along with an increase in the interest rates. Our average cost of borrowings (the ratio of total interest cost incurred during the year (excluding certain one-time processing fee write offs, and prepayment charges) to the weighted average of amounts of borrowing outstanding during the year) has varied from 8.8% for the Financial Year 2021 to 7.6% for the Financial Year 2022 and was 7.7% for the Financial Year 2023. Any reduction in our cost of borrowings may positively affect our results of operations. Conversely, an increase in the cost of borrowings (for example, due to increases in interest rates on our borrowings) will increase our interest costs and adversely affect our results of operations.

In order to maintain and upgrade the Expanded Portfolio assets, we will be required to 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 Current Portfolio, we may require additional capital to complete the development of the future projects or for the projects currently under development at Downtown Powai and Candor Techspace G1. However, our ability to obtain funding will depend on our ability to raise debt financing in a timely manner and at acceptable cost, raise capital through the fresh issue of Units or other forms of financing permitted by the REIT Regulations.

### **Regulatory Framework**

The Indian real estate sector is regulated by central, state and local governmental authorities and we expect our Manager to devote a 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 are expected to continue to 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. The REIT Regulations are relatively new regulations, and their interplay with the regulatory framework governing real estate in India is evolving. See “*Risk Factors — Risks Related to our Organization and Structure — The laws governing REITs in India are in their early stages and relatively untested.*” on page 57.

Further, Kensington, Candor Techspace G2, Candor Techspace N2 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. See “*Risk Factors — Risks Related to our Business and Industry — The majority of the assets in our Current Portfolio are located on land notified as SEZs and a few are registered as private IT parks and the relevant Asset SPVs are required to comply with the SEZ Act and the rules made thereunder along with their respective conditions of registration as private IT parks*” on page 56.

### **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 the ability of our Manager to lease the buildings in the Expanded Portfolio and continued development by other market participants could result in saturation of the real estate market. In turn, this may adversely impact our revenue from operations.

### **Basis of Preparation**

#### ***Basis of Preparation of the Consolidated Financial Statements as of and for the Financial Years 2023 and 2022***

Our Consolidated Financial Statements comprise the consolidated balance sheet as at March 31, 2023 and March

31, 2022, the consolidated statements of profit and loss (including other comprehensive income), the consolidated statements of cash flows, the consolidated statements of changes in unitholders' equity, in each case for the years ended March 31, 2023 and March 31, 2022 and a summary of significant accounting policies and other explanatory information.

Additionally, it includes our and the Portfolio Companies' statements of net assets at fair value, the statements of total returns at fair value, the statements of net distributable cash flow 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 of our Manager on our behalf on May 18, 2023. 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; and the Indian Accounting Standards, as defined under Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 to the extent not inconsistent with the REIT Regulations, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

***Basis of Preparation of the Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021***

Special Purpose Condensed Combined Financial Statements of Brookfield India REIT – Portfolio Companies comprises the Special Purpose Condensed Combined Balance Sheet as at 31 March 2021, the Special Purpose Condensed Combined Statement of Profit and Loss (including other comprehensive income), the Special Purpose Condensed Combined Statement of Cash Flows, the Special Purpose Condensed Combined Statement of Changes in Equity for the year ended 31 March, 2021 and a summary of significant accounting policies and other explanatory information. The Special Purpose Condensed Combined Financial Statements have been prepared as per the requirement of Securities and Exchange Board of India circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (“SEBI Circular”), in accordance with the Guidance note on Reports in Company Prospectuses (Revised 2019) and the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India (“ICAI”) (the “**Guidance Notes**”) using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (“**Ind AS**”) to the extent not inconsistent with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended (“**REIT Regulations**”). These Special Purpose Condensed Combined Financial Statements do not include all the information and disclosures that would otherwise be required in a full set of financial statements.

The Special Purpose Condensed Combined Financial Statements are special purpose financial statements and have been prepared by the Manager for the purpose of inclusion in the Preliminary Placement Document and Placement Document (together known as “**Placement Documents**”) to be filed by us in connection with proposed institutional placement of its Units. As a result, the Special Purpose Condensed Combined Financial Statements may not be suitable for any other purpose. Further the Special Purpose Condensed Combined Financial Statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013, as amended.

In accordance with the requirements of the REIT Regulations, Brookfield India REIT was set up on 17 July, 2020 and has been in existence for a period less than three completed financial years as at 31 March 2023. Brookfield India REIT, acquired as at 31 March 2023. Brookfield India REIT 8 February, 2021. The Special Purpose Condensed Combined Financial Statements are prepared based on an assumption that all the subsidiaries were part of Brookfield India REIT for the year ended 31 March 2021.

**Lack of Comparability of Years under Discussion**

*Non-comparability of the Consolidated Financial Statements and Special Purpose Condensed Combined Financial Statements*

In this section, we present our financial information derived from our Consolidated Financial Statements as of and for the Financial Years 2023 and 2022 and Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021. Our Consolidated Financial Statements and our Special Purpose Condensed Combined Financial Statements are not directly comparable, as the basis of preparation for these financial statements is different (see “*Basis of Preparation*” above).

The Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021 are special purpose financial statements and have been prepared by the Brookfield REIT and the Manager for the purpose of

providing information in connection with this Issue. As a result, the Special Purpose Condensed Combined Financial Statements may not be suitable for any other purpose.

In relation to our Consolidated Financial Statements as of and for the Financial Years 2023 and 2022 and our Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021, we believe that providing a comparison of certain line items from the statement of profit and loss (specifically, items of income and items of expenses) provides useful information to the reader regarding our financial performance for these years. Accordingly, we have provided a comparison of these line items.

*Non-comparability of the Consolidated Statement of Profit and Loss as of and for the Financial Years 2023 and 2022 and Financial Year 2021*

As the Brookfield REIT acquired the Portfolio Companies in February 2021, the Consolidated Statements of Profit and Loss for the Financial Years 2023 and 2022 are not comparable with the Consolidated Statement of Profit and Loss for Financial Year 2021. Accordingly, we have not presented a comparison of Consolidated Statement of Profit and Loss for the Financial Year 2022 with the Consolidated Statement of Profit and Loss for the Financial Year 2021.

*Non-comparability of the Consolidated Statements of Profit and Loss as of and for the Financial Year 2023 and the Financial Year 2022*

The Brookfield REIT acquired SDPL Noida in January 2022. Hence, the Consolidated Statement of Profit and Loss as of and for the Financial Year 2023 is inclusive of financial data pertaining to SDPL Noida, and is not comparable with the Consolidated Statement of Profit and Loss as of and for the Financial Year 2022.

**Principal Components of Statement of Profit and Loss**

***Total Income***

The total income comprises revenue from operations and other income.

***Revenue from Operations***

Revenue from operations comprises: (i) sale of services, which includes income from operating lease rentals; income from maintenance services; and property management fees; and (ii) sale of products, which includes sale of food and beverages, and others.

The following table sets forth details of the revenue from operations for the years indicated:

Particulars	Financial Year		
	2023	2022	2021
	<i>(₹ in millions)</i>		
<b>Sale of services:</b>			
<b>Income from operating lease rentals</b>	8,268	6,476	6,100
<b>Income from maintenance services</b>	3,632	2,263	2,415
<b>Property management fees</b>	-	-	96
<b>Sale of products:</b>			
<b>Sale of food and beverages</b>	62	27	15
<b>Others</b>	8	2	2
<b>Total Revenue from operations</b>	<b>11,970</b>	<b>8,768</b>	<b>8,628</b>

***Sale of services***

- ***Income from operating lease rentals.*** 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.** 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.
- **Property management fees.** Property management fees comprises revenue generated by CIOP for property management services provided to Candor Techspace G1 and SDPL Noida for the five months ended August 31, 2020. From September 1, 2020, CIOP ceased to provide such services to Candor Techspace G1 and SDPL Noida and it has not generated revenue from such services post September 1, 2020. Further, the number of its employees and consequently its expenses have also reduced. Post the acquisition of SDPL Noida, CIOP resumed the provision property management services to SDPL Noida. However, revenues generated from property management services to SDPL are eliminated in our Consolidated Financial Statements, as intra-group transactions.

#### Sale of products

- **Sale of food and beverages.** Sale of food and beverages revenue refers to the revenue received from the sale of food and beverages at our Current Portfolio assets.
- **Others.** Others primarily comprises revenue generated from the provision of utilities to tenants who provide food and beverage services.

#### Property-wise Rental / Operating Income

The following table sets forth property-wise revenue rental / operating income for our Current Portfolio assets:

Property Name and Location	Asset SPV/ Entity	Financial Year					
		2023		2022		2021	
		Rental / Operating Income	% of total Rental / Operating Income	Rental / Operating Income	% of total Rental / Operating Income	Rental / Operating Income	% of total Rental / Operating Income
(₹ in millions, except for percentages)							
Kensington, Mumbai	Festus Properties Private Limited ("Festus")	1,893	15.8%	1,790	20.4%	1,592	18.4%
Candor Techspace G2, Gurugram <sup>1</sup>	Candor Kolkata One Hi-Tech Structures Private Limited <sup>2</sup> ("Candor Kolkata")	3,492	29.2%	3,222	36.8%	3,657	42.4%
Candor Techspace N1, Noida	Shantiniketan Properties Private Limited ("SPPL Noida")	1,751	14.6%	1,234	14.1%	1,191	13.8%
Candor Techspace N2, Noida	Seaview Developers Private Limited ("SDPL Noida") <sup>4</sup>	2,863	23.9%	505	5.8%	-	-
Candor Techspace K1, Kolkata	Candor Kolkata	1,971	16.5%	2,017	23.0%	2,092	24.2%
Operational Services Provider, Mumbai	Candor India Office Parks Private Limited ("CIOP") <sup>3</sup>	-	-	-	-	96	1.2%
<b>Revenue from operations</b>		<b>11,970</b>	<b>100.0%</b>	<b>8,768</b>	<b>100.0%</b>	<b>8,628</b>	<b>100.0%</b>

<sup>1</sup> Pursuant to the G2 Co-Development Agreement, we are entitled to receive 72% of the gross rentals and deposits from tenants arising out of the lease of area in Candor Techspace G2, while Gurgaon Infospace Limited is entitled to receive the remaining 28% and tenants are billed as per such agreed arrangement.

<sup>2</sup> Candor Gurgaon 2 was merged into Candor Kolkata with effect from May 4, 2020 with an appointed date of January 9, 2019.

<sup>3</sup> Represents property management fee from Candor Gurgaon 1 and SDPL Noida.

<sup>4</sup> We acquired SDPL Noida on January 24, 2022.

#### 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) interest income on security deposit; and (ii) others, which includes (a) income from scrap sale, (b) interest on income tax refunds, (c) liabilities/provisions no longer required written back, (d) fair value gain on income support; and (e) miscellaneous income.

The following table sets forth details of other income for the years indicated:

	Financial Year		
	2023	2022	2021
(₹ in millions)			
<b>Interest income from financial assets at amortized cost:</b>			
<b>Interest income on fixed deposit with banks</b>	<b>117</b>	<b>71</b>	<b>58</b>

	Financial Year		
	2023	2022	2021
	(₹ in millions)		
Interest income on security deposit	32	28	18
Others:			
Income from scrap sale	16	7	5
Interest on income tax refund	70	34	54
Liabilities/ provisions no longer required written back	12	2	19
Fair value gain on income support	77	32	-
Miscellaneous income	1	50	8
<b>Total</b>	<b>325</b>	<b>224</b>	<b>162</b>

### *Expenses*

Expenses comprise cost of materials consumed; employee benefits expenses; finance costs; depreciation and amortization expenses; investment management fees; valuation expense; trustee fees; and other expenses.

#### *Cost of materials consumed*

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

#### *Employee benefits expenses*

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

#### *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 (for the Financial Year 2021), and (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, causing an increase in the finance costs.

#### *Depreciation and amortization expenses*

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

#### *Investment management fees*

Investment management fees comprise REIT Management Fees paid to our Manager in consideration for services rendered by our Manager pursuant to the Investment Management Agreement.

#### *Valuation expenses*

Valuation expenses comprise fees paid to the valuers in connection with periodic valuation of our properties.

#### *Trustee fees*

Trustee fees comprise fees paid to the Trustee.

#### *Other expenses*

Other expenses primarily comprise power and fuel, repair and maintenance, insurance, legal and professional fees, audit fee, facility usage fee, rental towards short term leases, credit impaired, property management fees, marketing and advertisement expenses, rates and taxes and miscellaneous expenses.

#### *Tax expense*

Tax expense comprises current tax expenses, for the current period and earlier years, and deferred tax charges or



credits.

**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.

**Results of Operations**

The following table sets forth select financial data from the statement of profit and loss for the Financial Years 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such years:

	Financial Year					
	2023		2022		2021	
	(₹ in millions)	(% of total income)	(₹ in millions)	(% of total income)	(₹ in millions)	(% of total income)
<b>Income:</b>						
Revenue from operations	11,970	97.4%	8,768	97.5%	8,628	98.2%
Other income	325	2.6%	224	2.5%	162	1.8%
<b>Total Income</b>	<b>12,295</b>	<b>100.0%</b>	<b>8,992</b>	<b>100.0%</b>	<b>8,790</b>	<b>100.0%</b>
<b>Expenses:</b>						
Cost of material consumed	55	0.4%	24	0.3%	13	0.1%
Employee benefits expenses	347	2.8%	197	2.2%	219	2.5%
Finance costs	4,325	35.2%	2,080	23.1%	5,531	62.9%
Depreciation and amortization expenses	2,752	22.4%	2,085	23.2%	1,230	14.0%
Investment management fees	80	0.7%	81	0.9%	-	-
Valuation expenses	13	0.1%	12	0.1%	6	0.1%
Trustee fees	3	0.0%	3	0.0%	2	0.0%
Other expenses	3,316	27.0%	2,268	25.2%	3,512	40.0%
<b>Total Expenses</b>	<b>10,891</b>	<b>88.6%</b>	<b>6,750</b>	<b>75.1%</b>	<b>10,513</b>	<b>119.6%</b>
<b>Profit/(Loss) before tax</b>	<b>1,404</b>	<b>11.4%</b>	<b>2,242</b>	<b>24.9%</b>	<b>(1,723)</b>	<b>(19.6)%</b>
<b>Tax Expense:</b>						
Current Tax						
- for current year	40	0.3%	28	0.3%	25	0.3%
- for earlier years	(13)	(0.1)%	(4)	0.0%	19	0.2%
Deferred tax charge/(credit)	64	0.5%	(245)	(2.7)%	219	2.5%
<b>Tax expense for the year</b>	<b>91</b>	<b>0.7%</b>	<b>(221)</b>	<b>(2.5)%</b>	<b>263</b>	<b>3.0%</b>
<b>Profit/(Loss) for the year</b>	<b>1,313</b>	<b>10.7%</b>	<b>2,463</b>	<b>27.4%</b>	<b>(1,986)</b>	<b>(22.6)%</b>

**Financial Year 2023 compared to Financial Year 2022**

**Total Income**

Total income increased to ₹12,295 million for the Financial Year 2023 from ₹8,992 million for the Financial Year 2022.

*Revenue from operations.* Revenue from operations increased to ₹11,970 million for the Financial Year 2023 from ₹8,768 million for the Financial Year 2022, primarily due to increases in (i) income from operating lease rentals to ₹8,268 million for the Financial Year 2023 from ₹6,476 million for the Financial Year 2022, (ii) income from maintenance services to ₹3,632 million from ₹2,263 million for the Financial Year 2022, and (iii) sale of food and beverages to ₹62 million for the Financial Year 2023 from ₹27 million for the Financial Year 2022.

Set forth below are reasons for the changes in the revenue from operations of each Current Portfolio asset:

*SDPL Noida (for Candor Techspace N2)*

As we completed the acquisition of SDPL Noida on January 24, 2022, the revenue from operations of SDPL Noida was consolidated only for the period between January 24, 2022 to March 31, 2022 for the Financial Year 2022, as compared to the consolidation of revenue from operations of SDPL Noida for the entire year during the Financial Year 2023. Therefore, we recognized revenue from operations from SDPL Noida (for Candor Techspace N2) amounting to ₹2,863 million for the Financial Year 2023 as compared to ₹505 million for the Financial Year 2022.

*Festus (for Kensington)*

The revenue from operations of Festus (for Kensington) increased to ₹1,893 million for the Financial Year 2023 from ₹1,790 million for the Financial Year 2022, primarily on account of:

- an increase in income from operating lease rentals to ₹1,752 million for the Financial Year 2023 from ₹1,672 million for the Financial Year 2022, primarily due to:
  - an increase in the leasing of area during the Financial Year 2023, which accounted for an increase in rentals by ₹97 million;
  - lease rentals from leasing of area during the Financial Year 2022 which generated rental income for a part of such financial year but generated such income for the entire Financial Year 2023, amounting to an increase of ₹79 million; and
  - an increase in lease rentals due to upward revision in rates amounting to ₹25 million.

which was partially offset by:

- an increase in leases expiring during the Financial Year 2023 as compared to Financial Year 2022, which accounted for a decrease in lease rentals by ₹116 million; and
- an increase in income from maintenance services to ₹141 million for the Financial Year 2023 from ₹117 million for the Financial Year 2022, primarily due to an increase in leasing of area during the Financial Year 2023 which was partially offset by an increase in leases expiring during the Financial Year 2023.

*Candor Kolkata (for Candor Techspace G2)*

The revenue from operations of Candor Kolkata (for Candor Techspace G2) increased to ₹3,492 million for the Financial Year 2023 from ₹3,222 million for the Financial Year 2022, primarily on account of:

- an increase in income from operating lease rentals to ₹2,386 million for the Financial Year 2023 from ₹2,294 million for the Financial Year 2022, primarily due to:
  - an increase in the leasing of area during the Financial Year 2023, which accounted for an increase in rentals by ₹231 million;
  - contractual rent escalations in the existing leases, which generated additional rentals amounting to ₹95 million; and
  - lease rentals from leasing of area during the Financial Year 2022 which generated rental income for a part of such financial year but generated such income for the entire Financial Year 2023, amounting to an increase of ₹51 million; and

which was partially offset by:

- an increase in leases expiring during the Financial Year 2023 as compared to Financial Year 2022, which accounted for a decrease in lease rentals by ₹272 million; and
- an increase in income from maintenance services to ₹1,107 million for the Financial Year 2023 from ₹928 million for the Financial Year 2022, primarily due to:
  - an increase in the leasing of area during the Financial Year 2023, which accounted for an increase in income from maintenance services by ₹88 million;
  - an increase in income from common area maintenance due to higher capacity utilization, accounting for an increase in income from maintenance services by ₹90 million;
  - an increase in expenses incurred for electricity and additional charges billed to the tenants for usage of services beyond the pre-determined time during the day, which accounted for an increase in income from maintenance services by ₹66 million;
  - lease rentals from leasing of area during the Financial Year 2022 which generated rental income for a part of such financial year but generated such income for the entire Financial Year 2023, amounting to an increase of ₹21 million; and

which was partially offset by:

- an increase in leases expiring during the Financial Year 2023 as compared to Financial Year 2022, which accounted for a decrease in income from maintenance services by ₹90 million;

*SPPL Noida (for Candor Techspace N1)*

The revenue from operations of SPPL Noida (for Candor Techspace N1) increased to ₹1,751 million for the Financial Year 2023 from ₹1,234 million for the Financial Year 2022, primarily on account of:

- an increase in income from operating lease rentals to ₹949 million for the Financial Year 2023 from ₹757 million for the Financial Year 2022, primarily due to:
  - an increase in the leasing of area during the Financial Year 2023, which accounted for an increase in rentals by ₹118 million;
  - contractual rent escalations in the existing leases, which generated additional rentals amounting to ₹42 million; and
  - lease rentals from leasing of area during the Financial Year 2022 which generated rental income for a part of such financial year but generated such income for the entire Financial Year 2023, amounting to an increase of ₹59 million; and

which was partially offset by:

- an increase in leases expiring during the Financial Year 2023 as compared to Financial Year 2022, which accounted for a decrease in lease rentals by ₹24 million; and
- an increase in income from maintenance services to ₹734 million for the Financial Year 2023 from ₹448 million for the Financial Year 2022, primarily due to:
  - an increase in the leasing of area during the Financial Year 2023, which accounted for an increase in income from maintenance services by ₹51 million;
  - an increase in income from common area maintenance due to higher capacity utilization and maintenance expenses, accounting for an increase in income from maintenance services by ₹150 million;
  - an increase in expenses incurred for electricity and additional charges billed to the tenants for usage of services beyond the pre-determined time during the day, and others related charges (such as administrative charges), which accounted for an increase in income from maintenance services by ₹42 million,
  - lease rentals from leasing of area during the Financial Year 2022 which generated rental income for a part of such financial year but generated such income for the entire Financial Year 2023, amounting to an increase of ₹48 million; and

which was partially offset by

- an increase in leases expiring during the Financial Year 2023 as compared to Financial Year 2022, which accounted for a decrease in income from maintenance services by ₹6 million;

*Candor Kolkata (for Candor Techspace K1)*

The revenue from operations of Candor Kolkata (for Candor Techspace K1) decreased to ₹1,971 million for the Financial Year 2023 from ₹2,017 million for the Financial Year 2022, primarily on account of:

- a decrease in income from operating lease rentals to ₹1,304 million for the Financial Year 2023 from ₹1,397 million for the Financial Year 2022, primarily due to:
  - an increase in leases expiring during the Financial Year 2023 as compared to the Financial Year 2022, which accounted for a decrease in lease rentals by ₹75 million;

- reduction of rent on renewal of the existing leases, which accounted for a decrease in lease rentals of ₹20 million.

which was partially offset by:

- contractual rent escalations in the existing leases, which generated additional rentals amounting to ₹41 million; and
- an increase in income from maintenance services to ₹667 million for the Financial Year 2023 from ₹620 million for the Financial Year 2022, primarily due to higher capacity utilization and maintenance expenses amounting to ₹70 million during the Financial Year 2023 which was partially offset by an increase in leases expiring amounting to ₹30 million during the Financial Year 2023.

### **Other Income**

Other income increased to ₹325 million for the Financial Year 2023 from ₹224 million for the Financial Year 2022, primarily on account of (i) increases in the interest income from financial assets at amortized cost to ₹149 million for the Financial Year 2023 from ₹99 million for the Financial Year 2022 on account of increase in interest income on fixed deposit, (ii) fair value gain on income support to ₹77 million for the Financial Year 2023 from ₹32 million for the Financial Year 2022 pursuant to the income support agreement dated December 17, 2021 in relation to provision of income support by MIOP to SDPL Noida (the “**N2 Income Support Agreement**”), and interest on income tax refund to ₹70 million for the Financial Year 2023 from ₹34 million for the Financial Year 2022. This was partially offset by a decrease in the miscellaneous income to ₹1 million for the Financial Year 2023 from ₹50 million for the Financial Year 2022, primarily on account of sale of used items in Candor Kolkata (for Candor Techspace G2) during the Financial Year 2022.

### **Expenses**

*Cost of materials consumed.* Cost of materials consumed increased to ₹55 million for the Financial Year 2023 from ₹24 million for the Financial Year 2022, primarily on account of an increase in purchase of food and beverage materials from ₹48 million for the Financial Year 2023 from ₹23 million for the Financial Year 2022. This was primarily attributable to an increase in tenants’ occupancy during the Financial Year 2023.

*Employee benefits expense.* Employee benefits expense increased to ₹347 million for the Financial Year 2023 from ₹197 million for the Financial Year 2022. This increase was primarily on account of increases in salaries, wages and bonus to ₹320 million for the Financial Year 2023 from ₹180 million for the Financial Year 2022. The increase was primarily due to (i) transfer of employees from MIOP to CIOP pursuant to the provision of property management services by CIOP to SDPL Noida after the acquisition of SDPL Noida on January 24, 2022, (ii) increase in the contribution to provident fund to ₹18 million for the Financial Year 2023 from ₹10 million for the Financial Year 2022; and (iii) increase in gratuity expense to ₹8 million for the Financial Year 2023 from ₹5 million for the Financial Year 2022.

*Finance costs.* Finance costs increased to ₹4,325 million for the Financial Year 2023 from ₹2,081 million for the Financial Year 2022, primarily due to an increase in interest on term loan to ₹4,081 million for the Financial Year 2023 from ₹1,930 million for the Financial Year 2022, primarily due to additional loans undertaken by us for the acquisition of SDPL Noida and an increase in our consolidated loans due to the consolidation of borrowings undertaken by SDPL Noida, along with an increase in the interest rates.

*Depreciation and amortization expenses.* Depreciation and amortization expenses increased to ₹2,752 million for the Financial Year 2023 from ₹2,085 million for the Financial Year 2022, primarily as a result of an increase in depreciation and amortization of investment property to ₹2,730 million for the Financial Year 2023 from ₹2,068 million for the Financial Year 2022, primarily due to acquisition of SDPL Noida on January 24, 2022.

*Investment management fees.* Investment management fees decreased to ₹80 million for the Financial Year 2023 from ₹81 million for the Financial Year 2022, due to lower net distributable cash flows during Financial Year 2023 (as the investment management fees are calculated based on the net distributable cash flows).

*Valuation expenses.* Valuation expenses increased to ₹13 million for the Financial Year 2023 from ₹12 million for the Financial Year 2022, primarily due to valuation expenses incurred for the acquisition of SDPL Noida, in January 2022.

*Trustee fees.* Trustee fees was ₹3 million for the Financial Year 2023 and Financial Year 2022.

*Other expenses.* Other expenses increased to ₹3,317 million for the Financial Year 2023 from ₹2,268 million for the Financial Year 2022, primarily due to increases in power and fuel expense to ₹1,150 million for the Financial Year 2023 from ₹691 million for the Financial Year 2022, repair and maintenance to ₹968 million for the Financial Year 2023 from ₹708 million for the Financial Year 2022, property management fees to ₹467 million for the Financial Year 2023 from ₹352 million for the Financial Year 2022, legal and professional expense to ₹227 million for the Financial Year 2023 from ₹178 million for the Financial Year 2022, rates and taxes to ₹116 million for the Financial Year 2023 from ₹104 million for the Financial Year 2022, and marketing and advertisement expenses to ₹124 million for the Financial Year 2023 from ₹43 million for the Financial Year 2022. These increases were primarily due to the acquisition of SDPL Noida, an increase in tenants' occupancy during Financial Year 2023 and higher marketing and branding expenses incurred during the Financial Year 2023.

#### ***Tax Expense***

We had tax expense of ₹92 million for the Financial Year 2023 as compared to a tax credit of ₹221 million for the Financial Year 2022. Tax expenses for the Financial Year 2023 comprised current tax expense for the current period of ₹40 million and a deferred tax charge of ₹64 million, partially offset by current tax credit for earlier years of ₹13 million. Tax credit for the Financial Year 2022 comprised a deferred tax credit of ₹245 million partially offset by current tax expense of ₹24 million.

#### ***Profit/Loss for the year***

As a result of the foregoing reasons, our profit for the year decreased to ₹1,312 million for the Financial Year 2023 from ₹2,463 million for the Financial Year 2022.

#### ***Financial Year 2022 compared to Financial Year 2021***

We acquired SDPL Noida on January 24, 2022. All figures for Financial Year 2021 have been derived from our Special Purpose Condensed Combined Financial Statements. Our Consolidated Financial Statements as of and for the Financial Year 2022 reflect the results of such acquisition, including its assets and liabilities as of March 31, 2022 and its income and expenses for the period from January 24, 2022 to March 31, 2022. As a result, the changes in line items given below are partly driven by the income generated or the expenses incurred by SDPL Noida for the period consolidated. Accordingly, our Special Purpose Condensed Combined Financial Statements as of and for the Financial Year 2021 are not compared to our Consolidated Financial Statements as of for the Financial Year 2022. For further details, see “- *Lack of Comparability of Years under Discussion*” on page 275.

#### ***Total Income***

Total income increased to ₹8,992 million for the Financial Year 2022 from ₹8,790 million for the Financial Year 2021.

*Revenue from operations.* Revenue from operations increased to ₹8,768 million for the Financial Year 2022 from ₹8,628 million for the Financial Year 2021, primarily due to an increase in income from operating lease rentals to ₹6,476 million for the Financial Year 2022 from ₹6,100 million for the Financial Year 2021, which was partially offset by a decrease in income from maintenance services to ₹2,263 million from ₹2,415 million and a decrease in property management fees to ₹0 million for the Financial Year 2022 as compared to ₹95 million for the Financial Year 2021.

Set forth below are reasons for the changes in the revenue from operations of each Current Portfolio asset:

#### ***Festus (for Kensington)***

The revenue from operations of Festus (for Kensington) increased to ₹1,790 million for the Financial Year 2022 from ₹1,592 million for the Financial Year 2021, primarily on account of:

- an increase in income from operating lease rentals to ₹1,672 million for the Financial Year 2022 from ₹1,464 million for the Financial Year 2021, primarily due to:
  - an increase in the leasing of area during the Financial Year 2022, which accounted for an increase in rentals by ₹34 million and contractual rent escalations in the existing leases, which generated additional rentals amounting to ₹34 million; and

- adjustments related to the preparation of Consolidated Financial Statements for the Financial Year 2022 as a result of the acquisition of the Asset SPVs.
- which was partially offset by an increase in leases expiring during the Financial Year 2022 as compared to Financial Year 2021, which accounted for a decrease in lease rentals by ₹98 million.

which was partially offset by:

- a decrease in income from maintenance services to ₹117 million for the Financial Year 2022 from ₹128 million for the Financial Year 2021, primarily due to an increase in leases expiring which was partially offset by the leasing of area during the Financial Year 2022.

*Candor Kolkata (for Candor Techspace G2)*

The revenue from operations of Candor Kolkata (for Candor Techspace G2) decreased to ₹3,222 million for the Financial Year 2022 from ₹3,657 million for the Financial Year 2021, primarily on account of:

- a decrease in income from operating lease rentals to ₹2,294 million for the Financial Year 2022 from ₹2,518 million for the Financial Year 2021, primarily due to an increase in leases expiring during the Financial Year 2022 as compared to the Financial Year 2021, which accounted for a decrease in lease rentals by ₹346 million,

which was partially offset by:

- an increase in the leasing of area during the Financial Year 2022, which accounted for an increase in lease rentals by ₹39 million;
  - contractual rent escalations in the existing leases, which generated additional rentals amounting to ₹31 million;
  - lease rentals from leasing of area during the Financial Year 2021 which generated rental income for a part of such financial year but generated such income for the entire Financial Year 2022, amounting to an increase of ₹7 million; and
  - an increase in rent from retail tenants and others (primarily due to contracted rent escalations, lease deed renewals at higher rentals and new leases for vacant areas), which accounted for an increase in lease rentals by ₹26 million.
- a decrease in income from maintenance services to ₹928 million for the Financial Year 2022 from ₹1,139 million for the Financial Year 2021, primarily due to an increase in leases expiring during the Financial Year 2022 as compared to the Financial Year 2021, a decrease in expenses incurred for electricity and a decrease in tenants billing for usage of services beyond the pre-determined time, which was partially offset by the leasing of area during the Financial Year 2022 and the recognition of income from maintenance services for the full Financial Year 2022 period for leases which were entered into during the Financial Year 2021.

*SPPL Noida (for Candor Techspace N1)*

The revenue from operations of SPPL Noida (for Candor Techspace N1) increased to ₹1,234 million for the Financial Year 2022 from ₹1,191 million for the Financial Year 2021, primarily on account of:

- an increase in income from operating lease rentals to ₹757 million for the Financial Year 2022 from ₹718 million for the Financial Year 2021, primarily due to:
  - an increase in the leasing of area during the Financial Year 2022, which accounted for an increase in lease rentals by ₹23 million;
  - contractual rent escalations in the existing leases during the Financial Year 2021, which generated additional rentals amounting to ₹21 million; and
  - lease rentals from leasing of area during the Financial Year 2021 which generated rental income for a part of such financial year but generated such income for the entire Financial Year 2022

amounting to ₹7 million,

- an increase in lease rentals due to upward revision in rates amounting to ₹12 million.

which was partially offset by:

- an increase in leases expiring, which accounted for a decrease in lease rentals by ₹29 million.
- an increase in sale of products to ₹29 million for the Financial Year 2022 from ₹17 million for the Financial Year 2021, primarily due to an increase in physical occupancy during the Financial Year 2022 as compared to the Financial Year 2021,

which was partially offset by:

- a decrease in income from maintenance services to ₹448 million for the Financial Year 2022 from ₹456 million for the Financial Year 2021, primarily due to an increase in leases expiring during the Financial Year 2022 as compared to the Financial Year 2021, which was partially offset by an increase in the leasing of area during the Financial Year 2022.

#### *SDPL Noida (for Candor Techspace N2)*

The revenue from operations of SDPL Noida (for Candor Techspace N2) was ₹505 million for the Financial Year 2022 as compared to ₹ 0 million within our Special Purpose Condensed Combined Financial Statements for the Financial Year 2021, as we completed the acquisition of SDPL Noida on January 24, 2022.

#### *Candor Kolkata (for Candor Techspace K1)*

The revenue from operations of Candor Kolkata (for Candor Techspace K1) decreased to ₹2,017 million for the Financial Year 2022 from ₹2,092 million for the Financial Year 2021, primarily on account of:

- a decrease in income from operating lease rentals to ₹1,397 million for the Financial Year 2022 from ₹1,400 million for the Financial Year 2021, primarily due to:
  - an increase in leases expiring during the Financial Year 2022 as compared to the Financial Year 2021, which accounted for a decrease in lease rentals by ₹49 million;
  - reduction of rent in certain existing leases (based on negotiations with tenants), which accounted for a decrease in lease rentals of ₹17 million.

which was partially offset by:

- contractual rent escalations in the existing leases, which generated additional rentals amounting to ₹23 million.
- a decrease in income from maintenance services to ₹620 million for the Financial Year 2022 from ₹692 million for the Financial Year 2021, primarily due to an increase in leases expiring and a decrease in expenses incurred for electricity.

#### ***Other Income***

Other income increased to ₹224 million for the Financial Year 2022 from ₹162 million for the Financial Year 2021, primarily on account of an increase in interest income from financial assets at amortized cost to ₹99 million for the Financial Year 2022 from ₹76 million for the Financial Year 2021, an increase in miscellaneous income to ₹50 million for the Financial Year 2022 from ₹8 million for the Financial Year 2021, and an increase in fair value gain on income support (in relation to income support that we receive in respect of SDPL Noida pursuant to the N2 Income Support Agreement) to ₹31 million for the Financial Year 2022 as compared to ₹0 million for the Financial Year 2021 primarily pursuant to the Income Support Agreement further to the acquisition of SDPL Noida, which was partially offset by a decrease in liabilities/provisions no longer required written back to ₹2 million for the Financial Year 2022 from ₹19 million for the Financial Year 2021.

#### ***Expenses***

*Cost of materials consumed.* Cost of materials consumed increased to ₹24 million for the Financial Year 2022

from ₹13 million for the Financial Year 2021, primarily on account of an increase in purchases to ₹23 million for the Financial Year 2022 from ₹12 million for the Financial Year 2021. This was primarily attributable to an increase in the tenants' physical occupancy during the Financial Year 2022.

*Employee benefits expense.* Employee benefits expense decreased to ₹197 million for the Financial Year 2022 from ₹219 million for the Financial Year 2021, primarily on account of a decrease in salaries, wages and bonus to ₹180 million for the Financial Year 2022 from ₹201 million for the Financial Year 2021, primarily due to transfer of employees to MIOP following the discontinuation of property management services provided by CIOP to Candor Techspace G1 and SDPL Noida as of September 1, 2020 (until the acquisition of SDPL Noida on January 24, 2022).

*Finance costs.* Finance costs decreased to ₹2,081 million for the Financial Year 2022 from ₹5,531 million for the Financial Year 2021, primarily due to a decrease in interest on term loan to ₹1,930 million for the Financial Year 2022 from ₹4,187 million for the Financial Year 2021, due to repayment of a portion of the term loans of our Asset SPVs from the net proceeds of our IPO.

*Depreciation and amortization expenses.* Depreciation and amortization expenses increased to ₹2,085 million for the Financial Year 2022 from ₹1,230 million for the Financial Year 2021, primarily as a result of an increase in depreciation and amortization of investment property to ₹2,068 million for the Financial Year 2022 from ₹1,211 million for the Financial Year 2021, due to differences in accounting treatment for depreciation and amortization expenses in consolidated financial statements and combined financial statements, pursuant to acquisition of the Asset SPVs.

*Investment management fees.* Investment management fees increased to ₹81 million for the Financial Year 2022 as compared to ₹0 million for the Financial Year 2021, due to the investment management fees incurred during the Financial Year 2022 on net distributable cash flows generated, as compared to ₹0 million for the Financial Year 2021.

*Valuation expenses.* Valuation expenses increased to ₹12 million for the Financial Year 2022 from ₹6 million for the Financial Year 2021, primarily due to fair valuations of property performed twice during the Financial Year 2022 (on September 30, 2021 and on March 31, 2022) as compared to fair valuations of property being performed once during the Financial Year 2021 (March 31, 2021).

*Trustee fees.* Trustee fees increased to ₹3 million for the Financial Year 2022 from ₹2 million for the Financial Year 2021.

*Other expenses.* Other expenses decreased to ₹2,268 million for the Financial Year 2022 from ₹3,512 million for the Financial Year 2021, primarily due to a decrease in loss on derivative relating to share conversion feature in 12% compulsory convertible debentures ("CCDs") at fair value through profit or loss to ₹0 million for the Financial Year 2022 as compared to ₹1,109 million for the Financial Year 2021, due to reversal of derivative assets upon conversion of these CCDs.

### **Tax Expense**

We had a tax credit of ₹221 million for the Financial Year 2022 as compared to a tax expense of ₹263 million for the Financial Year 2021. Tax credit for the Financial Year 2022 comprised a deferred tax credit of ₹245 million partially offset by current tax expense of ₹24 million. Tax expenses for the Financial Year 2021 comprised current tax expense of ₹44 million and a deferred tax charge of ₹219 million. The decrease in tax expense was primarily due to differences in accounting treatment for tax expenses in consolidated financial statements and combined financial statements, pursuant to acquisition of the Asset SPVs.

### **Profit/Loss for the year**

As a result of the foregoing reasons, we had a profit for the year of ₹2,463 million for the Financial Year 2022 as compared to a loss for the year of ₹1,986 million for the Financial Year 2021.

### **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 the Expanded Portfolio assets, maintain sufficient working capital, provide for costs to acquire properties, make distributions to the Unitholders and other general business needs. As of March 31, 2023, we had cash and cash equivalents of



₹2,097 million, comprising balance with banks in current and deposit accounts. Our Manager expects to meet our working capital and cash flow requirements for the next 12 months, primarily from (i) cash flows from business operations and the Income Support Agreements, (ii) cash and bank balances, (iii) short term and long term borrowing from banks and financial institutions, or as may be permitted under the REIT Regulations and (iv) proceeds from offering of Units pursuant to this Issue.

The table below sets forth a selected summary of the statement of cash flows for the Financial Years 2023, 2022 and 2021:

Particulars	Financial Year		
	2023	2022	2021
	(₹ in millions)		
Net cash generated from operating activities	9,218	6,059	6,267
Net cash used in investing activities	(780)	(14,034)	(1,071)
Net cash generated from/(used in) financing activities	(8,385)	6,674	(5,306)
Net increase/(decrease) in cash and cash equivalents	53	(1,301)	(110)
Cash and cash equivalents at the end of the year	2,097	2,044	3,155

### *Operating Activities*

Net cash generated from operating activities was ₹9,218 million for the Financial Year 2023. Our profit before tax was ₹1,404 million, which was adjusted for non-cash and other items by a net amount of ₹6,670 million, primarily for depreciation and amortization expense of ₹2,752 million and finance cost of ₹4,325 million. The changes in working capital for the Financial Year 2023 primarily comprised a decrease in current and non-current financial assets of ₹449 million, an increase in other current and non-current liabilities of ₹373 million and an increase in the current and non-current financial liabilities of ₹156 million, which was partially offset by an increase in other current and non-current assets of ₹92 million. We also received an income tax refund (net of tax paid) of ₹259 million.

Net cash generated from operating activities was ₹6,059 million for the Financial Year 2022. Our profit before tax was ₹2,242 million, which was adjusted for non-cash and other items by a net amount of ₹3,895 million, primarily for depreciation and amortization expense of ₹2,085 million and finance cost of ₹2,081 million. The changes in working capital for the Financial Year 2022 primarily comprised an increase in other current and non-current liabilities of ₹227 million primarily attributable to increase in contract liability, which was partially offset by a decrease in current and non-current financial liabilities of ₹138 million. We also paid income tax (net of refund) of ₹175 million.

Net cash generated from operating activities was ₹6,267 million for the Financial Year 2021. Our loss before tax was ₹1,723 million, which was adjusted for non-cash and other items by a net amount of ₹7,685 million, primarily for finance cost of ₹5,531 million, depreciation and amortization expense of ₹1,230 million and loss on derivative relating to share conversion feature in 12% CCD at fair value through profit or loss of ₹1,109 million. The changes in working capital for the Financial Year 2021 primarily comprised a decrease in current and non-current financial assets of ₹347 million primarily attributable to lease rent equalization and trade receivable, which was partially offset by a decrease in current and non-current financial liabilities of ₹293 million. We also had income tax refund (net of tax paid) received of ₹275 million.

### *Investing Activities*

Net cash used in investing activities was ₹780 million for the Financial Year 2023, primarily on account of expenditure incurred on investment property of ₹886 million primarily incurred towards the construction of buildings at SDPL Noida, Festus (for Kensington) and SPPL Noida, and fixed deposits made of ₹500 million, which was partially offset by fixed deposits matured of ₹512 million and interest received on fixed deposits of ₹126 million.

Net cash used in investing activities was ₹14,034 million for the Financial Year 2022, primarily on account of payment for acquisition of SDPL Noida, including directly attributable expenses of ₹13,258 million and expenditure incurred on investment property of ₹873 million primarily incurred towards the construction of buildings at SDPL Noida and SPPL Noida, which was partially offset by fixed deposits matured of ₹273 million.

Net cash used in investing activities was ₹1,071 million for the Financial Year 2021, primarily on account of fixed

deposits made of ₹8,174 million and expenditure incurred on investment property of ₹929 million primarily incurred towards the construction of buildings at Candor Kolkata (for Candor Techspace K1) and SPPL Noida, which was partially offset by fixed deposits matured of ₹7,990 million.

### Financing Activities

Net cash used in financing activities was ₹8,385 million for the Financial Year 2023, primarily comprising distribution to unitholders of ₹6,802 million, finance costs paid of ₹4,106 million, repayment of long-term borrowings of ₹567 million and repayment of lease liabilities of ₹306 million, which was partially offset by proceeds from long-term borrowings of ₹3,400 million.

Net cash generated from financing activities was ₹6,674 million for the Financial Year 2022, primarily comprising proceeds from long-term borrowings of ₹15,910 million and proceeds from issue of Units of ₹4,950 million, which was partially offset by repayment of long-term borrowings of ₹5,627 million, distribution to unitholders of ₹5,148 million and finance costs paid of ₹2,153 million.

Net cash used in financing activities was ₹5,306 million for the Financial Year 2021, primarily comprising repayment of long-term borrowings of ₹56,908 million, repayment of non-convertible bonds of ₹21,000 million and finance costs paid of ₹6,058 million, which was partially offset by proceeds from long-term borrowings of ₹44,580 million and proceeds from issue of Units of ₹38,000 million.

### Indebtedness

As of March 31, 2023, total outstanding borrowings was ₹54,520 million. The following table sets forth details of the borrowings as of March 31, 2023:

Category of borrowing	As of March 31, 2023 (₹ in millions)
Non-current financial liabilities – Borrowings	53,984
Current financial liabilities - Short term borrowings	-
Interest accrued and not due on borrowings	-
Current maturities of secured long term borrowings	536
<b>Total</b>	<b>54,520</b>

For details of the capital structure of the Brookfield REIT and the Asset SPVs including borrowings and deferred payments as of March 31, 2023, as adjusted taking into the utilization of the Net Proceeds, see “Leverage and Capitalization” on page 309. See also, “Risk Factors – We have incurred a significant amount of debt in the operation of our business, and our cash flows and results of operations could be adversely affected by required repayments or related interest and other risks assumed in connection with procuring debt financing. Our inability to service debt may adversely affect distributions to Unitholders” on page 38.

### Capital Expenditure

Capital expenditure comprises addition (net of cost of items disposed, through deletion and adjustments) to property, plant and equipment and intangible assets, investment property and investment property under development and finance cost thereon. The following table sets forth details of the capital expenditure incurred for the years presented:

Asset	Financial Year		
	2023	2022	2021
	(₹ in millions)		
Festus (for Kensington)	268	147	5
Candor Kolkata (for Candor Techspace G2)	(18)	43	157
SPPL Noida (for Candor Techspace N1)	568	374	550
Candor Kolkata (for Candor Techspace K1)	239	92	256
CIOP	7	3	1
SDPL Noida (for Candor Techspace N2)*	833	194	-
<b>Total</b>	<b>1,897</b>	<b>853</b>	<b>969</b>

\*Acquisition with effect from January 24, 2022

### Planned Capital Expenditure

Our planned capital expenditure as of March 31, 2023 was ₹2,623 million, primarily towards development and

upgradation of new and existing towers, as illustrated in the table below:

**Asset upgrades**

Name of Asset	Amount (₹ in millions)	Estimated completion date
Festus (for Kensington)	68	June 30, 2023
Candor Kolkata (for Candor Techspace G2)	62	June 30, 2023
SPPL Noida (for Candor Techspace N1)	92	September 30, 2023
SDPL Noida (for Candor Techspace N2)	70	September 30, 2023
Candor Kolkata (for Candor Techspace K1)	7	June 30, 2023

**New developments**

Name of Asset	Amount (₹ in millions)	Estimated completion date
Candor Kolkata (for Candor Techspace K1)	2,323	December 31, 2025

**Contractual Obligations and Commitments**

The following table sets forth a summary of the maturity profile of our contractual obligations, as of March 31, 2023:

	Payments due by period			
	Total	Less than 1 year	1-3 years	More than 3 years
	(₹ in millions)			
Security Deposits	5,009	3,760	1,018	231
Trade Payables	655	655	-	-
Capital Creditors	433	433	-	-
Capital Commitment	1,305	1,305	-	-
<b>Total</b>	<b>7,402</b>	<b>6,153</b>	<b>1,018</b>	<b>231</b>

Capital commitments (net of advances) were ₹1,305 million, as of March 31, 2023, which relate to upgrades for Candor Kolkata (for Candor Techspace G2 and Candor Techspace K1), SPPL Noida (for Candor Techspace N1), SDPL Noida (for Candor Techspace N2) and Festus (for Kensington).

**Contingent Liabilities**

As of March 31, 2023, our contingent liabilities were as follows:

Particulars	As of March 31, 2023 (₹ in millions)
Claims against the special purpose vehicles not acknowledged as debt in respect of income tax matters	971
Claims against the special purpose vehicles not acknowledged as debt in respect of indirect tax	7
<b>Total</b>	<b>978</b>

**Non Ind AS Measures**

Our Manager believes that the presentation of certain non-Ind AS measures provides useful information to prospective investors regarding the performance and trends related to our results of operations and accordingly, our Manager believes that when non-Ind AS financial information is viewed with Ind AS financial information, prospective investors are provided with a more meaningful understanding of our ongoing operating performance and financial results. However, these financial measures are not measures determined based on Ind AS, IFRS or any other internationally accepted accounting principles, and prospective investors should not consider such items as an alternative to the historical financial results or other indicators of our cash flow based on Ind AS. The non-Ind AS financial measures included herein, may not be directly comparable with metrics bearing similar names as presented by other entities due to differences in the way such non-Ind AS financial measures are calculated.

**Net Operating Income**

Our Manager calculates net operating income (“NOI”) as revenue from operations (which includes (i) income from operating lease rentals; (ii) income from maintenance services; (iii) property management fees; and (iv) sale

of food and beverages) less direct operating expenses. Direct operating expenses include (i) power and fuel; (ii) facility usage charges; (iii) lease rent; (iv) employee benefit expenses (v) cost of materials consumed; and (vi) a portion of repair and maintenance, legal and professional fees, insurance, rates and taxes, property management fees (excluding property management fees paid by CIOP to the Manager) and miscellaneous expenses, which are directly incurred in relation to the commercial properties of the respective Asset SPVs.

Our Manager uses NOI internally as a performance measure and believes it provides useful information to investors regarding our financial condition and results of operations because it provides a direct measure of the operating results of our business. We therefore consider NOI to be a meaningful supplemental financial measure of our performance when considered with the Consolidated Financial Statements and the Special Purpose Condensed Combined 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 IFRS, and may not be comparable with measures with similar names presented by other companies/REITs. NOI should not be considered by itself or as a substitute for comparable measures under Ind AS or IFRS 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/REITs.

#### *Earnings before interest costs, taxes, depreciation and amortization*

Earnings before interest costs, taxes, depreciation and amortization (“**EBITDA**”) is a supplemental measure of performance that is not required by, nor presented in accordance with, Ind AS or IFRS. EBITDA is not a measurement of financial performance or liquidity under Ind AS, IFRS or any other internationally accepted accounting principles, and should not be considered as an alternative to profit or any other performance measures derived in accordance with Ind AS, nor as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term, hence, a direct comparison between companies/REITs using this term may not be possible. EBITDA is presented because our Manager believes that it is frequently used by securities analysts, investors and other interested parties in evaluating companies/REITs.

The following table presents reconciliation of historical NOI and EBITDA:

Particulars	Financial Year		
	2023	2022	2021
	(₹ in millions)		
<b>Profit / (Loss) for the year</b>	1,312	2,463	(1,986)
Add: Tax expense for the year	92	(221)	263
<b>Profit / (Loss) before income tax</b>	<b>1,404</b>	<b>2,242</b>	<b>(1,723)</b>
Add: Finance costs	4,325	2,080	5,531
Add: Depreciation and amortization expense	2,752	2,085	1,230
<b>EBITDA</b>	<b>8,481</b>	<b>6,407</b>	<b>5,038</b>
Less: Other income*	(325)	(224)	(162)
Add: Other expenses excluding facility usage charges, power and fuel and lease rent	2,217	1,631	2,745
Less: Repair and maintenance*	(948)	(693)	(660)
Less: Other expenses**	(539)	(391)	(362)
<b>NOI</b>	<b>8,886</b>	<b>6,730</b>	<b>6,599</b>

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

\* Corresponds to a portion of repair and maintenance expenses line item shown on the Consolidated Financial Statements and the Special Purpose Condensed Combined Financial Statements, which comprises expenses incurred in relation to the repair and maintenance of investment property on operating lease, which is considered to be part of our direct operating cost pursuant to the lease agreements with the customers.

\*\* Other expenses include portion of expenses incurred on legal and professional fees, insurance, rate and taxes, marketing and advertisement expenses, property management fees (excluding property management fees paid by CIOP to the Manager) and miscellaneous expenses, which are considered to be part of our direct operating cost as such costs are incurred in relation to the revenue earned from the properties.

#### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

#### **Significant Accounting Policies for our Consolidated Financial Statements**

### ***Basis of Consolidation for the Consolidated Financial Statements***

We consolidate entities which we own or control. Our Consolidated Financial Statements consolidate our financial statements and those of our subsidiaries. Control exists when a parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The procedure adopted for preparing the Consolidated Financial Statements is stated below:

- The Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 'Consolidated Financial Statements'.
- Our financial statements are consolidated by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows.
- Intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between our entities are eliminated in full.
- The figures in the notes to accounts and disclosures have been consolidated line-by-line and intra-group transactions and balances including unrealized profit are eliminated in full on consolidation.

### ***Functional and presentation currency***

Our Consolidated Financial Statements are presented in Indian rupees, which is our functional currency and the currency of the primary economic environment in which we operate. All financial information presented in Indian rupees has been rounded off to the nearest million except for unit and per unit data.

### ***Basis of measurement***

Our Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Our Consolidated Financial Statements have been prepared on a going concern basis.

### ***Use of judgments and estimates***

The preparation of our Consolidated Financial Statements in conformity with generally accepted accounting principles in India, to the extent not inconsistent with the REIT Regulations, requires our Manager to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates 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:

- presentation of "Unit Capital" as "Equity" in accordance with the REIT Regulations, instead of compound instrument;
- determination of useful life of investment property;
- determination of recoverable amount or fair value of investment property;
- determination of lease term; and
- recognition / recoverability of deferred tax assets.

### ***Current versus non-current classification***

We present assets and liabilities in the balance sheet based on current or non-current classification.

#### *Assets*

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

We classify all other assets as non-current.

#### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in normal operating cycle of our Portfolio Companies;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- we do not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

We classify all other liabilities as non-current.

Current assets or liabilities include current portion of non-current financial assets or liabilities, respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### ***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, we take into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurement frameworks are adopted by us to determine the fair value of various assets and liabilities measured or disclosed at fair value.

## ***Investment properties***

### *Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, import duties and other non-refundable purchase taxes, borrowing costs directly attributable to the development and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

### *Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to us and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in the statement of profit and loss.

### *Depreciation*

Investment property is depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by our Manager after considering nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (in years)</b>
Buildings	60
Plant and Machinery	4 – 15
Furniture and Fixtures	5 – 12
Electrical fittings	4 – 15
Diesel generator sets	15 – 25
Air conditioners	15
Office Equipment	5 – 12
Kitchen Equipment	5
Computers	3 – 6
Right of Use (Leasehold Land)	As per lease term

The fair value of investment property is disclosed in the statement of net assets at fair value. Fair values are determined by an independent registered valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

## ***Property, plant and equipment and intangible assets***

### *Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted

for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

#### *Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to us and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized. Any gain or loss from disposal of a property, plant and equipment is recognized in the statement of profit and loss.

#### *Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by our Manager after considering nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

Estimated useful lives of items of property, plant and equipment are tabulated as follows:

Particulars	Useful Life (in years)
Buildings	60
Plant and Machinery	5 – 20
Furniture and Fixtures	3 – 14
Electrical fittings	10
Air conditioners	3 – 15
Office Equipment	3 – 15
Kitchen Equipment	3 – 5
Vehicle	8
Computers	3 – 14
Computer Software	5

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of five years, which represents the period over which we expect to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

#### *Impairment of non-financial assets*

We assess, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, We estimate the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the statement of profit and loss if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the statement of profit and loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.



Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

### ***Foreign currency transactions***

Items included in our financial statements are measured using the currency of the primary economic environment in which we operate (our "**functional currency**"). Our financial statements are presented in Indian Rupee ("**INR**"), which is our functional and presentation currency.

Foreign currency transactions in currencies other than our functional currency are translated into our functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the statement of profit and loss.

### ***Errors, estimates and change in accounting policies***

We revise our accounting policies if a change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the Consolidated Financial Statements and the Special Purpose Condensed Combined Financial Statements. Changes in accounting policies are applied retrospectively, wherever applicable.

A change in an accounting estimate that results in changes in the carrying amounts of recognized assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

### ***Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### ***Financial Assets***

##### **Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss ("**FVTPL**"), transaction costs that are attributable to the acquisition of the financial asset.

##### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories.

- **Debt instruments at amortized cost:**

A debt instrument is measured at the amortized cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (“**SPPI**”) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (“**EIR**”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

- **Debt instruments at fair value through other comprehensive income (“FVOCI”):**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, interest income, impairment losses and reversals and foreign exchange gain or loss is recognized in the statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized under OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

- **Debt instruments at FVTPL:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or at FVOCI, is classified as at FVTPL.

In addition, we may elect to designate a debt instrument which otherwise meets amortized cost or FVOCI criteria as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as an accounting mismatch). We have not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

- **Equity instruments measured at FVOCI:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, we may make an irrevocable election to present in OCI subsequent changes in the fair value. We make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If we decide to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, we may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from our balance sheet) when:

- the rights to receive cash flows from the asset have expired; or

- we have transferred our rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) we have transferred substantially all the risks and rewards of the asset; or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

#### Impairment of financial assets

We recognize loss allowance using the expected credit loss (“ECL”) model for the financial assets which are not classified as at FVTPL. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. The amount of ECLs (or reversal thereof) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss.

Trade receivables are generally written off against the allowance only after all means of collection have been exhausted and the potential for recovery is considered remote.

#### *Financial liabilities*

##### Recognition and subsequent measurement

Our financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to their initial measurement, they are measured at amortized cost using the EIR method or at FVTPL.

Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at FVTPL:**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that we enter into that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

- **Gains or losses on liabilities held for trading are recognized in the statement of profit and loss:**

Financial liabilities designated upon initial recognition at fair value through the statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains or losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, we may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. We have not designated any financial liability as at fair value through profit or loss.

- **Financial liabilities at amortized cost:**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

## *Financial liabilities*

### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

### *Income/loss recognition*

#### *Interest income*

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, we estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but do not consider the expected credit losses.

#### *Borrowing costs*

Borrowing costs include interest expense as per the EIR method and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. We consider practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

#### *Embedded derivatives*

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at FVTPL.

### *Leases*

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- we have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- we have the right to direct the use of the asset. We have this right when we have the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, we have the right to direct the use of the asset if either:
  - o we have the right to operate the asset; or
  - o we have designed the asset in a way that predetermines how and for what purpose it will be used.

#### *As a lessee*

We recognize a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at our incremental borrowing rate. Generally, we use our incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that we are reasonably certain to exercise, lease payments in an optional renewal period if we are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless we are reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in our estimate of the amount expected to be payable under a residual value guarantee, or if we change our assessment of whether we will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

We present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and 'lease liabilities (current and non-current)' in the statement of financial position.

We have elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. We recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *As a Lessor*

We enter into lease agreements as a lessor with respect to its investment properties.

Leases for which we are a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When we are an intermediate lessor, we account for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of our net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on our net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, we apply Ind AS 115 to allocate the consideration under the contract to each component.

### ***Revenue recognition***

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as goods and services tax, service tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience and expense incurred.

#### *i. Income from Operating Lease Rentals*

Assets given by us under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, our Manager considers all facts and circumstances including renewal, termination and market conditions.

Income from operating lease rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

#### *ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when we have satisfied our performance obligation by delivering services as per terms of contract entered into with tenants.

### ***Employee benefits***

Employee benefits include provident fund, gratuity and compensated absences.

#### *Provident fund*

Our contribution to provident fund is considered as defined contribution plans and is charged as an expense in statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

#### *Gratuity*

We have an obligation towards gratuity, a defined post-employment benefits plan covering eligible employees. The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurements comprising actuarial gains and losses are recognized immediately in the balance sheet with a charge or credit to OCI in the period in which they occur. Remeasurements recognized in OCI are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when we

recognize related restructuring costs or termination benefits, whichever is earlier.

#### *Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

#### *Long-term employee benefits*

Our employees are entitled to other long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses relating to long-term employee benefits are recognized in the statement of profit and loss in the period in which they arise.

#### **Taxation**

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or OCI, in which case it is recognized in equity or in OCI, respectively.

#### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

MAT under the provisions of the Income Tax Act, 1961 is recognized as current tax in the statement of profit and loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that we will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### *Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that we are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, we recognize a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date, to recover or settle the carrying amount of our assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### ***Provisions and contingencies***

A provision is recognized when we have a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond our control or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. We do not recognize a contingent liability but disclose its existence in the financial statements.

Provisions for onerous contracts are recognized when the expected benefits to be derived by us from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

### ***Operating segments***

Operating segments are reported in a manner consistent with the internal reporting provided to our chief operating decision maker (“CODM”).

#### ***Identification of segments***

In accordance with Ind AS 108 ‘Operating Segment’, the operating segments used to present segment information are identified on the basis of information reviewed by our CODM to allocate resources to the segments and assess their performance. An operating segment is a component of us that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of our other components.

Based on an analysis of our structure and powers conferred to our Manager, the Governing Board of our Manager has been identified as our CODM, since they are empowered for all major decisions with respect to the management, administration, investment, disinvestment, etc.

As we are primarily engaged in the business of developing and maintaining commercial real estate properties in India, our CODM reviews the entire business as a single operating segment and accordingly the disclosure requirements of Ind AS 108 ‘Operating Segments’ in respect of reportable segments are not applicable.

### ***Subsequent events***

Our Consolidated Financial Statements are prepared after reflecting adjusting and non-adjusting events that occur



after the reporting period but before our Consolidated Financial Statements are authorized for issue.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

***Earnings per unit***

Basic earnings per unit are calculated by dividing the net profit / (loss) for the period attributable to our unit holders by the weighted average number of units outstanding during the period.

For the purpose of calculating diluted earnings per unit, the profit or loss for the period attributable to our unit holders and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Dilutive potential units are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per unit, only potential equity units that are dilutive and which either reduces earnings per unit or increase loss per units are included.

***Business combination / asset acquisition***

The amendment to Ind AS 103 'Business Combinations' clarifies 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.

We have opted to apply the optional concentration test in respect of acquisition of the Asset SPVs.

***Statement of cash flows***

Our cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of our portfolio companies are segregated. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

***Offsetting***

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, we currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

***Cash distribution to Unitholders***

We recognize a liability to make cash distributions to Unitholders when the distribution is authorized and a legal obligation has been created. As per the REIT Regulations, a distribution is authorized when it is approved by the board of directors of our Manager. A corresponding amount is recognized directly in equity.

***Income support***

The income support that is an integral part of an acquisition transaction is treated as deduction in the acquisition cost of such investment property. Where the right to receive the income support is spread over a period of time, the right to receive the income support is recognized as a financial asset at fair value and subsequently measured

at FVTPL.

### **Recent Accounting Pronouncements**

As of the date of this Preliminary Placement Document, there are no recent accounting pronouncements, which would have a material effect on our results of operations or financial condition.

### **Qualitative Disclosures about Market Risk**

We are exposed to market risk, currency risk, credit risk, interest rate risk and liquidity risk in the normal course of our business.

#### ***Market Risk***

We are exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals), such as interest rates that will affect our expenses or the value of our holdings of financial instruments.

#### ***Currency Risk***

Our exposure to foreign currency risk is primarily on account of import of capital goods and services, which is not material in proportion to our total expenses.

#### ***Credit Risk***

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our maximum exposure to credit risk associated with financial assets is equivalent to the carrying value of each class of financial asset as presented in various financial statement captions.

Credit risk arises on financial assets and other financial instruments in the event debtors default on their repayment obligations to us. We mitigate this risk by attempting to ensure that adequate security is created and reviewing credit quality.

Credit risk related to accounts receivable arises from the possibility that tenants may be unable to fulfil their lease commitments. We mitigate this risk by conducting appropriate background checks on tenants and by ensuring that office premises are leased to tenants of repute and who meet minimum credit quality requirements. We also obtain refundable interest free security deposits equivalent to three to six months of lease rentals from our tenants. Further the receivables are monitored on a monthly basis.

#### ***Interest Rate Risk***

We are exposed to both, fair value interest rate risk as well as cash flow interest rate risk arising on short-term and long-term floating rate instruments, as well as on the refinancing of fixed rate instruments. Our borrowings are principally denominated in Indian Rupees. The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### ***Liquidity Risk***

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that as far as possible, we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

Our primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities. We seek to increase income from our existing properties by maintaining quality standards for our properties that promote high occupancy rates and support increases in rental rates, while reducing tenant turnover and related costs, and by controlling our operating expenses.

Consequently, we believe that our revenues from operations along with proceeds from financing activities will continue to provide necessary funding to cover our short-term liquidity needs.

### **Known Trends or Uncertainties**

Our business has been affected and is likely to be continued to be affected by the trends identified above in “—*Significant Factors affecting our Results of Operations and Financial Condition*” and the uncertainties described in “*Risk Factors*” beginning on pages 270 and 37, respectively. To the knowledge of our Manager, except as disclosed in this Preliminary Placement Document, there are no known factors, which are expected to have an adverse effect on our income.

### **Future Relationship between Cost and Revenue**

Other than as described in this section, “*Risk Factors*” and “*Our Business and Properties*” beginning on pages 37 and 148, respectively, there are no known factors that may adversely affect our business prospects, results of operations or financial condition to our Manager’s knowledge.

### **Related Party Transactions**

We have entered into various transactions with related parties, including for the purposes of financing the Subsidiaries, project management and repairs and maintenance. For details, see “*Related Party Transactions*” beginning on page 235.

### **Competitive Conditions**

We operate in a competitive environment. Please refer to “*Our Business and Properties*”, “*Industry Overview*” and “*Risk Factors*” beginning on pages 148, 95 and 37, respectively, for further information on the industry and competition.

### **Seasonality of Business**

Our business is not subject to material seasonal fluctuations.

### **New Products or Business Segments**

Other than as disclosed in this section and in “*Our Business and Properties*” beginning on page 148, there are no new products or business segments that have or are expected to have a significant impact on our business prospects, results of operations or financial condition.

### **Unusual or Infrequent Events or Transactions**

Other than as described in this section and in “*Risk Factors*” and “*Our Business and Properties*” beginning on pages 37 and 148, respectively, there have been no events or transactions, which may be described as “unusual” or “infrequent”.

### **Significant economic changes that materially affected or are likely to affect revenue from operations**

Other than as described in this section, “*Risk Factors*”, “*Industry Overview*” and “*Our Business and Properties*” beginning on pages 37, 95 and 148, respectively, there have been no significant economic changes that have materially affected or are likely to affect revenue from operations.

### **Tenant Concentration**

For the details of tenant concentration, see “*Risk Factors — Risks Related to our Business and Industry — A significant portion of our revenue is derived from a limited number of tenants and sectors, and any adverse developments affecting such tenants or sectors may have an adverse effect on our business, results of operations and financial condition.*” beginning on page 39.

### **Significant Developments Subsequent to March 31, 2023**

Except as set out in this Preliminary Placement Document, to our knowledge no circumstances have arisen since March 31, 2023, which materially and adversely affect or are likely to affect our operations or profitability, the value of our assets, or our ability to pay our liabilities within the next 12 months.

## DISTRIBUTION

*Certain information contained herein are not historical facts and accordingly are forward-looking statements and/or projections. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those that may be estimated. For a discussion of the risks and uncertainties related to such statements, prospective investors should read “Forward-Looking Statements” and “Risk Factors” beginning on pages 24 and 37, respectively.*

*Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or covenant with respect to the accuracy of the underlying assumptions by the Brookfield REIT, the Trustee, our Sponsor, our Manager, the Lead Managers or any other person connected with the Issue. Prospective investors are cautioned not to place undue reliance on such forward-looking information that is stated only as on the date of this Preliminary Placement Document.*

The NDCF of the Brookfield REIT are based on the cash flows generated from the Brookfield REIT’s assets. All the REIT Distributions (defined below) are made in accordance with Regulation 18(16) of the REIT Regulations.

### Distribution Policy

In terms of the REIT Regulations, not less than 90% of the NDCFs of our Asset SPVs are required to be distributed to Brookfield REIT, in proportion of its shareholding in our Asset SPVs, subject to applicable provisions of the Companies Act. The cash flows receivable by Brookfield REIT may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from our Asset SPVs/ CIOP, sale proceeds out of disposal of investments of any or assets directly/ indirectly held by Brookfield REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the applicable laws.

At least 90% of the NDCFs of the Brookfield REIT (“**REIT Distributions**”) shall be declared and made once every quarter of a Financial Year by our Manager. Further, in accordance with the REIT Regulations, REIT Distributions shall be made no later than 15 days from the date of such declarations. The REIT Distributions, when made, shall be made in Indian Rupees.

The NDCFs are calculated in accordance with the REIT Regulations and any circular, notification or guidelines issued thereunder including the SEBI Guidelines. Presently, the Brookfield REIT calculates the REIT Distributions in the manner provided below:

### Calculation of NDCF at the Asset SPV level:

Description
Profit after tax as per statement of profit and loss (standalone) (A)
Add: Depreciation, amortization and impairment as per Statement of profit and loss
Add/(Less): Any other item of non-cash expense/ non -cash income (net of actual cash flows for these items), as may be deemed necessary by the Manager. For example, any decrease/ increase in carrying amount of an asset or of a liability recognised in statement of profit and loss/income and expenditure on measurement of the asset or the liability at fair value, interest cost as per effective interest rate method, deferred tax, lease rents recognised on a straight line basis, etc.
Add/less: Loss/gain on sale, transfer/ disposal/ liquidation of real estate assets, investments (including cash equivalents), other assets or shares of /interest in Asset SPVs
Add: Proceeds from sale / liquidation/transfer/ disposal of real estate assets, investments (including cash equivalents), assets or shares of / interest in Asset SPVs, adjusted for the following: <ul style="list-style-type: none"> <li>• Applicable capital gains and other taxes</li> <li>• Related debts settled or due to be settled from sale proceeds</li> <li>• Any acquisition</li> <li>• Directly attributable transaction costs</li> <li>• Proceeds reinvested or planned to be reinvested as per REIT Regulations</li> <li>• Investment in any form as permitted under the REIT Regulations as may be deemed necessary by the Manager</li> </ul>
Add: Proceeds from sale of real estate assets, investments, assets or sale of shares of Asset SPVs not distributed pursuant to an earlier plan to re-invest as per REIT Regulations, if such proceeds are not intended to be invested subsequently
Add: Interest (or other similar payments) on Shareholder Debt (or on debentures or other instruments held by the Brookfield REIT) charged/ debited to the statement of profit and loss
Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, deferred/prepaid income or deferred/ prepaid expenditure, etc.
Less: Any expense in the nature of capital expenditure including capitalized interest thereon (to the parties other than Brookfield REIT), capitalised overheads, etc.

Description
Less: Net debt repayment/ (drawdown)/ redemption of preference shares/ debentures/ any other such instrument/ premiums/ accrued interest/ any other obligations/ liabilities etc., to parties other than Brookfield REIT, as may be deemed necessary by the Manager
Add: Cash inflows in relation to equity/ non-refundable advances, etc.
Less: Any dividends on or proceeds from repayments or redemptions or buy-backs or capital reduction of shares (including compulsory convertible instruments), held by anyone other than the Brookfield REIT (either directly or indirectly), and any taxes thereon (including any dividend distribution tax or buy back distribution tax, etc., if applicable)
Total adjustments (B)
NDCF (C) = (A+B)

**Note:**

1. Distribution of at least 90% of the above NDCF as per the REIT Regulations is subject to compliance with the requirements of Companies Act, 2013

**Calculation of NDCF at the standalone Brookfield REIT level:**

Description
Cash flows received from Asset SPVs, CIOP/Operating Service Provider and any investment entity in the form of: <ul style="list-style-type: none"> <li>• Interest (net of applicable taxes, if any)</li> <li>• Dividends (net of applicable taxes, if any)</li> <li>• Repayment of Shareholder Debt (or debentures and other similar instruments)</li> <li>• Proceeds from buy-backs/ capital reduction/ redemptions (net of applicable taxes)</li> </ul>
Add: Proceeds from sale, (transfer or liquidation or redemption or otherwise realization) of investments (including cash equivalents), assets or shares of/interest in Asset SPVs, or any form of fund raise at Brookfield REIT level, adjusted for the following: <ul style="list-style-type: none"> <li>• Applicable capital gains and other taxes</li> <li>• Related debts settled or due to be settled from sale proceeds</li> <li>• Directly attributable transaction costs</li> <li>• Proceeds reinvested or planned to be reinvested as per REIT Regulations</li> <li>• Investment in shares or debentures or shareholder debt of Asset SPVs and/ or CIOP/ Operating Service Provider or other similar investments</li> <li>• Lending to Assets SPVs and/ or CIOP/ Operating Service Provider</li> </ul>
Add: Proceeds from sale (transfer or liquidation or redemption or otherwise realization) of investments, assets or shares of/ interest in Asset SPVs not distributed pursuant to an earlier plan to re-invest as per REIT Regulations, if such proceeds are not intended to be invested subsequently
Add: Any other income received at the Brookfield REIT level and not captured herein, or refund/ waiver/ cessation of any expenses/ liability.
Less: Any other expense (whether in the nature of revenue or capital expenditure) or any liability or other payouts required at the Brookfield REIT level, and not captured herein
Less: Any payment of fees, including but not limited to: <ul style="list-style-type: none"> <li>• Trustee fees</li> <li>• REIT Management Fees</li> <li>• Valuer fees</li> <li>• Legal and professional fees</li> <li>• Trademark license fees</li> <li>• Secondment fees</li> </ul>
Add: Cash flow received from Asset SPV and investment entity, if any including to the extent not covered above: <ul style="list-style-type: none"> <li>• repayment of the debt in case of investments by way of debt</li> <li>• proceeds from buy-backs/ capital reduction</li> </ul>
Add/ (Less): Debt drawdown/ (payment) of interest and repayment on external debt (including any loans, bonds, debentures or other form of debt funding) at the Brookfield REIT level
Less: Income tax and other taxes (if applicable) at the standalone Brookfield REIT level (net of any tax refunds)
Add/(Less): Cash inflows and outflows in relation to any real estate properties held directly by the Brookfield REIT, to the extent not covered above (if any)
Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.
NDCF

**Note:**

1. Distribution of at least 90% of the above NDCF as per the REIT Regulations is subject to compliance with the requirements of Companies Act, 2013

In terms of the REIT Regulations, if the distribution is not made within 15 days of declaration, our Manager shall be liable to pay interest to our Unitholders at the rate of 15% per annum until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to our Manager by the Brookfield REIT.

**Unitholders should note that there is no assurance or guarantee that distributions will be made in any amount or at all.**

For a discussion on the risks relating to distribution, see “*Risk Factors – Our Manager does not provide any assurance or guarantee of any distributions to the Unitholders. Our Manager may not be able to make distributions to Unitholders in the manner described in this Preliminary Placement Document or at all, and the quantum of distributions may decrease.*” beginning on page 47.

### History of REIT Distributions

The Brookfield REIT was listed on the Stock Exchanges on February 16, 2021. Details of the REIT Distributions since the listing are set out below:

Particulars	From February 8, 2021 to June 30, 2021	For the quarter ended September 30, 2021	For the quarter ended December 31, 2021	For the quarter ended March 31, 2022	For the quarter ended June 30, 2022	For the quarter ended September 30, 2022	For the quarter ended December 31, 2022	For the quarter ended March 31, 2023
Distribution per Unit	6.00	6.00	5.00	5.10	5.10	5.10	5.00	5.00
Interest on shareholder loan/ compulsorily convertible debentures	4.57	3.88	3.28	2.86	2.45	2.42	2.27	2.30
Dividend	0.45	0.09	0.10	0.07	0.06	0.09	0.10	-
Repayment of shareholder loan	0.98	2.00	1.59	2.15	2.56	2.57	2.60	2.66
Interest on fixed deposits	0.003	0.03	0.03	0.02	0.03	0.02	0.03	0.04

The amounts paid as REIT Distributions in the past are not necessarily indicative of the Brookfield REIT’s distributions, if any, in the future. See “*Risk Factors*” beginning on page 37.

## LEVERAGE AND CAPITALIZATION

The following tables present the capital structure of the Brookfield REIT and the Asset SPVs including any borrowings and deferred payments as at March 31, 2023, as adjusted taking into account the utilization of the Net Proceeds, as described in the section “Use of Proceeds”, beginning on page 315.

The information presented below should be read in conjunction with the sections “Use of Proceeds” and “Management’s Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations” beginning on pages 315 and 269, respectively, and “Financial Information of the Brookfield REIT” in Annexure B.

### Capital structure of the Brookfield REIT including any borrowings and deferred payments on a consolidated basis derived from the Consolidated Financial Statements

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
Borrowings	54,520.38	[●]
Lease liability	563.32	[●]
Gross debt	55,083.70	[●]
Less: Cash and cash equivalents	(2,096.55)	[●]
<b>Adjusted net debt</b>	<b>52,987.15</b>	[●]
Unitholders’ funds		
- Unit capital	86,556.65	[●]
- Other equity	(3,219.27)	[●]
<b>Total shareholders’ funds</b>	<b>83,337.38</b>	[●]
<b>Debt/ Equity ratio</b>	<b>0.64</b>	[●]

### Standalone capital structure of each the Asset SPVs including borrowings and deferred payments

#### Candor Kolkata

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
Borrowings	35,442.18	[●]
Lease liability	-	-
Gross debt	35,442.18	[●]
Less: Cash and cash equivalents	(144.80)	[●]
<b>Adjusted net debt</b>	<b>35,297.38</b>	[●]
Shareholders’ Equity		
- Share capital	0.98	[●]
- Other equity	(19,939.42)	[●]
<b>Total shareholders’ funds</b>	<b>(19,938.44)</b>	[●]
<b>Debt/ Equity ratio</b>	<b>(1.77)</b>	[●]

#### Festus

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
Borrowings	14,559.74	[●]
Lease liability	-	-
Gross debt	14,559.74	[●]
Less: Cash and cash equivalents	(93.93)	[●]
<b>Adjusted net debt</b>	<b>14,465.81</b>	[●]
Shareholders’ Equity		
Share capital	4,646.41	[●]
Other equity	(3,999.23)	[●]

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
<b>Total shareholders' funds</b>	<b>647.18</b>	[●]
<b>Debt/ Equity ratio</b>	<b>22.35</b>	[●]

#### SPPL Noida

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
Borrowings	6,590.05	[●]
Lease liability	97.52	
Gross debt	6,687.57	[●]
Less: Cash and cash equivalents	(56.38)	[●]
<b>Adjusted net debt</b>	<b>6,631.19</b>	[●]
Shareholders' Equity		
- Share capital	1,438.65	[●]
- Other equity	83.74	[●]
<b>Total shareholders' funds</b>	<b>1,522.39</b>	[●]
<b>Debt/ Equity ratio</b>	<b>4.36</b>	[●]

#### SDPL Noida

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
Borrowings	20,501.70	[●]
Lease liability	465.80	
Gross debt	20,967.50	[●]
Less: Cash and cash equivalents	(115.62)	[●]
<b>Adjusted net debt</b>	<b>20,851.88</b>	[●]
Shareholders' Equity		
Share capital	0.17	[●]
Other equity	(3,624.65)	[●]
<b>Total shareholders' funds</b>	<b>(3,624.48)</b>	[●]
<b>Debt/ Equity ratio</b>	<b>(5.75)</b>	[●]

*Standalone capital structure of each of the Target SPVs including borrowings and deferred payments*

#### Downtown Powai SPV

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
Borrowings	39,743.25	[●]
Lease liability	0	
Gross debt	39,743.25	[●]
Less: Cash and cash equivalents	(450.31)	[●]
<b>Adjusted net debt*</b>	<b>39,292.94</b>	[●]
Shareholders' Equity		
Equity Share capital	97.59	[●]
Other equity	(1,886.51)	[●]
<b>Total shareholders' funds<sup>^</sup></b>	<b>(1,788.92)</b>	[●]
<b>Debt/ Equity ratio<sup>#</sup></b>	<b>(21.96)</b>	[●]

\* Adjusted net debt is calculated by reducing cash and cash equivalents from the sum of borrowings and lease liabilities.

<sup>^</sup> Total shareholder's funds is the sum of equity share capital and other equity.



# Debt/Equity ratio has been calculated by dividing adjusted net debt with total shareholders' funds.

## G1 SPV

Particulars	As at March 31, 2023	
	Pre-Issue (₹ in million)	Post-Issue (₹ in million)
Borrowings	28,867.92	[●]
Lease liability	-	
Gross debt	28,867.92	[●]
Less: Cash and cash equivalents	(773.20)	[●]
<b>Adjusted net debt</b>	<b>28,094.72</b>	[●]
Shareholders' Equity		
Share capital	0.10	[●]
Other equity	(9,377.90)	[●]
<b>Total shareholders' funds</b>	<b>(9,377.80)</b>	[●]
<b>Debt/ Equity ratio</b>	<b>(3.00)</b>	[●]

## Borrowing Policy

Our Manager has adopted the Borrowing Policy on behalf of the Brookfield REIT and the Portfolio Companies. The key terms of the Borrowing Policy are set forth:

- (i) The Brookfield REIT/ Asset SPVs/ CIOP may raise debt and make borrowings and deferred payments from time to time, including through issuance of debt securities, availing loans from banks and financial institutions or raising debt in any other form as permissible under applicable law. However, such borrowings and deferred payments shall not include any refundable security deposits from tenants.
- (ii) Our Manager shall ensure that all funds borrowed with respect to the Brookfield REIT/ Asset SPVs/ CIOP are in compliance with the REIT Regulations.
- (iii) Where required, our Manager shall ensure that in case of issuance of debt securities by the Brookfield REIT/ Asset SPVs/ CIOP such debt securities as permitted under applicable laws.
- (iv) Our Manager shall cause the Brookfield REIT/ Asset SPVs/ CIOP to borrow or incur financial indebtedness for the purpose of its business operations subject to requisite approval of our Board or such committee of our Board as may be constituted in this regard, board of directors or committees of the respective Asset SPVs/ CIOP (in respect of financial indebtedness of our Asset SPVs/ CIOP) and our Unitholders, where required, in accordance with the REIT Regulations.
- (v) Our Manager shall ensure that in the event the value of funds borrowed from Related Parties in a Financial Year, exceeds 10% of the total consolidated borrowings of the Brookfield REIT, our Asset SPVs/ CIOP or Holding Company (if any), approval from our Unitholders shall be obtained prior to entering into any such subsequent transaction with any Related Party, in accordance with Regulation 22 of the REIT Regulations and the request for such approval shall be accompanied by a transaction document.
- (vi) The Brookfield REIT (acting through its Manager) shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the RBI.
- (vii) The Brookfield REIT (acting through its Manager) also has the power to create, mortgage, pledge or secure any of its assets including shares/ interest in our Asset SPVs, CIOP or holding companies (if any) or, to the extent permitted under applicable laws, provide guarantees or other collateral in order to secure the borrowing of funds by the Brookfield REIT, our Asset SPVs, CIOP or Holding Companies (if any). However, our Manager shall ensure, in accordance with Regulation 20(2) of the REIT Regulations, that the aggregate consolidated borrowings and deferred payments of the Brookfield REIT, our Asset SPVs, CIOP and the Holding Companies (if any), net of cash and cash equivalents shall not exceed 49% of the value of the assets of the Brookfield REIT, or such other percentage as may be prescribed under the REIT Regulations from time to time.

- (viii) In accordance with Regulation 20(3) of the REIT Regulations, in the event the aggregate consolidated borrowings and deferred payments of the Brookfield REIT (including our Asset SPVs, CIOP or Holding Companies (if any), net of cash and cash equivalents exceed 25% of the value of the assets of the Brookfield REIT or such other threshold as may be prescribed under REIT Regulations from time to time, for any further borrowing:
  - a. credit rating shall be obtained from a credit rating agency registered with SEBI; and
  - b. an approval from our Unitholders shall be obtained in the manner specified under Regulation 22 of the REIT Regulations, namely where the votes cast in favour of a resolution shall be more than the votes cast against such resolution, or such other percentage as may be prescribed under the REIT Regulations.
- (ix) In the event either of the conditions (as specified above) with respect to the aggregate consolidated borrowings of the Brookfield REIT are breached on account of market movements of the price of the underlying assets or securities, our Manager shall inform the Trustee at the earliest and ensure that such condition is satisfied within six months of the breach, in accordance with the REIT Regulations.
- (x) Any such obligation will not allow our Manager to make the liabilities of the Brookfield REIT or its Unitholders unlimited.
- (xi) In addition to the above, any borrowing by our Asset SPVs and CIOP will be in accordance with the conditions prescribed under applicable law.
- (xii) Our Manager shall disclose to the designated stock exchange, in the event additional borrowing by any of the Brookfield REIT, its Holding Company (if any) or Asset SPVs/ CIOP, results in such borrowing exceeding 5% of the value of the assets of the Brookfield REIT during the year.
- (xiii) Any variation to the Borrowing Policy shall only be with the approval of our Board, and where required under the applicable law, with the approval of Unitholders.

Notwithstanding the above, the Borrowing Policy will stand amended to the extent of any change in applicable laws without any action from our Manager or approval of our Unitholders of the Brookfield REIT.

**SECTION VI: ABOUT THE ISSUE**

**SUMMARY OF THE ISSUE**

The following is a summary of the terms of the Issue. This summary is qualified in its entirety by the more detailed information contained in this Preliminary Placement Document, including in “Use of Proceeds”, “Issue Procedure” and “Market Price Information and Other Information Concerning the Units” beginning on pages 315, 322 and 318, respectively. Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Brookfield REIT. Unless otherwise indicated, all amounts are expressed in Indian Rupees.

<b>Issuer</b>	Brookfield REIT
<b>Manager</b>	Brookprop Management Services Private Limited
<b>Trustee</b>	Axis Trustee Services Limited
<b>Sponsor</b>	BSREP India Office Holdings V Pte. Ltd.
<b>Issue</b>	Up to [●] Units aggregating up to ₹ [●] million
<b>Issue Price</b>	₹[●] per Unit
<b>Issue Opening Date</b>	July 27, 2023
<b>Issue Closing Date</b>	[●], 2023
<b>Floor Price</b>	The Floor Price for the Issue calculated on the basis of paragraph 10.9 of the SEBI Institutional Placement Guidelines is ₹265.79 per Unit. The Manager (on behalf of the Brookfield REIT) may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI Institutional Placement Guidelines.
<b>Eligible Institutional Investors</b>	<p>Eligible Institutional Investors, being Institutional Investors defined in Regulation 2(1)(y) of the SEBI ICDR Regulations, not being excluded pursuant to paragraph 10.11.2 of the SEBI Institutional Placement Guidelines, to whom this Preliminary Placement Document and the Application Form is circulated and who are eligible to Bid and participate in the Issue.</p> <p>Eligible FPIs may participate in the Issue in accordance with applicable law, including the FEMA Rules.</p> <p>Within the United States, the Units are being offered and sold only to U.S. QIBs. This Preliminary Placement Document and the Application Form shall be delivered with the prior consent of the Manager to Eligible Institutional Investors, specified by the Lead Managers or their representatives, and persons retained by such Eligible Institutional Investors to advise them with respect to their purchase of the Units.</p> <p>Also see “<i>Selling Restrictions</i>” and “<i>Purchaser Representations and Warranties</i>” beginning on page 334 and 343.</p>
<b>Units issued and outstanding immediately prior to the Issue</b>	335,087,073 Units
<b>Units issued and outstanding immediately after the Issue</b>	[●] Units
<b>Issue Procedure</b>	The Issue is being made only to Eligible Institutional Investors in accordance with the SEBI Institutional Placement Guidelines. See “ <i>Issue Procedure</i> ” beginning on page 322 for further information.
<b>Listing</b>	We have received in-principle approvals each dated July 27, 2023 from BSE and NSE for the listing of the Units to be issued pursuant to the Issue. We will apply to the Stock Exchanges for final listing and trading approvals after Allotment
<b>Lock-up</b>	See the section “ <i>Placement – Lock-up</i> ” beginning on page 332, for a description of the lock-in entered into with the Lead Managers, the Manager (on behalf of the Brookfield REIT), the Trustee (on behalf of the Brookfield REIT), the Sponsor, commencing on the date of Allotment and ending 60 days from the date of the Placement Document (both days inclusive), subject to certain exceptions.
<b>Transferability Restrictions</b>	The Units Allotted pursuant to the Issue may not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. See “ <i>Purchaser Representations and Warranties</i> ” beginning on page 434
<b>Use of Proceeds</b>	The Net Proceeds of the Issue are estimated to be ₹[●] million. See “ <i>Use of Proceeds</i> ” beginning on page 315 for more details
<b>Risk Factors</b>	See “ <i>Risk Factors</i> ” beginning on page 37
<b>Distribution</b>	See “ <i>Distribution</i> ” beginning on page 306
<b>Taxation</b>	See “ <i>Taxation</i> ” beginning on page 354
<b>Closing Date</b>	Allotment is expected to be made on or around [●]

<b>Allotment and Trading</b>	<p>The minimum allotment lot and trading lot for Units Allotted pursuant to the Issue will be equivalent to the minimum allotment lot and trading lot as applicable to the Units of the Brookfield REIT under extant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines.</p> <p>The current trading lot for Units of the Brookfield REIT is one Unit as per Regulation 16(4) of the REIT Regulations.</p>
<b>Ranking</b>	<p>The Units being issued pursuant to the Issue will rank pari passu in all respects with the existing Units, including rights in relation to distributions</p>
<b>Approvals</b>	<p>The Issue has been authorized by the board of directors of the Manager pursuant to a resolution dated May 18, 2023.</p> <p>The Issue has been authorized by the Unitholders pursuant to a resolution dated June 12, 2023 under Regulation 22(6) of the REIT Regulations</p>
<b>Security Codes for the Units</b>	<p>ISIN: INE0FDU25010</p> <p>BSE Scrip Code: 543261</p> <p>NSE Symbol: BIRET</p>

## USE OF PROCEEDS

The Issue comprises a fresh issue of up to [●] Units aggregating up to ₹ [●] million.

The Trustee and the Manager shall ensure that the subscription amounts are kept in a separate bank account in the name of the Brookfield REIT and are only utilized for adjustment against Allotment or refund of money to Eligible Institutional Investors until such Units are listed.

The gross proceeds of the Issue will be approximately ₹ [●] million. The Manager (on behalf of the Brookfield REIT) intends to utilize the Issue Proceeds after deducting the Issue related expenses (the “Net Proceeds”) towards:

1. funding of the consideration for the (i) Downtown Powai Acquisition; and/ or (ii) G1 Acquisition; and
2. general purposes

### Net Proceeds

The details of the Net Proceeds are set forth in the following table:

		(₹ in million)
Particulars	Amount*	
Gross proceeds from the Issue	[●]	
Less: Issue related expenses	[●]	
<b>Net Proceeds</b>	<b>[●]</b>	

\*Subject to finalization of the Issue Price

### Utilization of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

			(₹ in million)
S. No.	Particulars	Amount (in million)	
1.	Funding of the consideration for the (i) Downtown Powai Acquisition; and/or (ii) G1 Acquisition	Up to [●]	
2.	General purposes	Up to [●]	
<b>Net Proceeds</b>		<b>[●]</b>	

The Net Proceeds are proposed to be deployed on or before the ‘Long Stop Date’ as set out under the Downtown Powai REIT SPA and the G1 REIT SSPA, respectively, for the Downtown Powai Acquisition and the G1 Acquisition. The fund requirements mentioned above and the proposed deployment are based on the estimates of the Manager and have not been appraised by any bank, financial institution or any other external agency. The fund requirements may vary due to factors beyond the Manager’s control such as market conditions, competitive environment, interest rate and exchange rate fluctuations. The Manager will determine the proportion of the Net Proceeds to be utilized for the respective Acquisition Transactions prior to the closing of such transaction. Such amounts to be paid for the Acquisition Transactions are subject to closing adjustments on the date of share transfer, which will be finalized prior to closing of the Acquisition Transactions. For further details in relation to the closing of the Acquisition Transactions, please see “*The Acquisition Transactions*” beginning on page 204.

While Brookfield REIT intends to complete the Downtown Powai Acquisition and G1 Acquisition in accordance with the terms of the Downtown Powai REIT SPA and G1 REIT SSPA, respectively, and utilize the funds in accordance with the proposed plan set forth under “*The Acquisition Transactions*” beginning on page 204, depending upon the quantum of funds raised in the Issue and any other forms of fund raising, including preferential allotment of Units, for cash or otherwise, rights offering of Units, incurring of fresh indebtedness at the Brookfield REIT or the respective Target SPV (with respect to the repayment of external debt of the Target SPVs) that may be undertaken by Brookfield REIT in accordance with applicable law, Brookfield REIT intends to complete the said acquisitions in the following manner:

- (i) first, complete the Downtown Powai Acquisition and G1 Acquisition;
- (ii) next, partly repay /prepay the external debt of the G1 SPV by subscribing to the G1 Debt Repayment NCDs; and

- (iii) thereafter, partly repay /prepay the external debt of the Downtown Powai SPV by subscribing to the Downtown Powai Debt Repayment NCDs.

For details of the Acquisition Transactions, please also see the section “*The Acquisition Transactions*” on page 204. For descriptions of Downtown Powai and Candor Techspace G1, see “*Our Business and Properties*” on page 148. For details of Downtown Powai SPV and G1 SPV, see “*Our Portfolio Companies and Target SPVs*” on page 200. Also see “*Risk Factors – We are in the process of acquiring 50% shareholding in the Target SPVs (pursuant to definitive acquisition agreements), which may not be completed in a timely manner or at all and any failure to realize the anticipated benefits of the Acquisition Transactions may adversely affect us*” on page 40.

### **Details of Utilization of Net Proceeds**

The details of utilization of the Net Proceeds are set forth below:

#### **1) *Funding of the consideration for the (i) Downtown Powai Acquisition; and/ or (ii) G1 Acquisition***

The Manager, on behalf of the Brookfield REIT, proposes to utilise an estimated amount of up to ₹[●] million from the Net Proceeds to fund the consideration for the Downtown Powai Acquisition and/or the G1 Acquisition.

Brookfield REIT proposes to acquire the Downtown Powai Securities from the Downtown Powai Sellers (*i.e.*, 4,879,500 Equity Shares and 28,606,156 CCDs) in a single tranche, resulting in acquisition of 50% of the share capital (on a fully diluted basis) of Downtown Powai SPV (and simultaneous to the occurrence of ‘Completion’ under the Reco Europium SPA, subscribe to the Downtown Powai Consideration NCDs *i.e.*, 1,750,000 unlisted non-convertible debentures of Downtown Powai SPV with a face value of ₹ 1,000 each and having such terms and conditions as set out in the Downtown Powai Debenture Subscription Agreement, for a cash consideration of ₹ 1,750 million), for a total cash consideration of ₹ 16,963 million (as may be adjusted for the preferential allotment of Units, if any, in consideration for purchase of such Equity Shares by Brookfield REIT). The Downtown Powai Consideration NCDs are proposed to be utilized by Downtown Powai SPV towards payment of (a) interest/ coupon on the CCDs held by Project Diamond; and (b) principal amount, interest/ coupon and redemption amount on unlisted NCDs to be issued to Project Diamond FPI. For details of the Downtown Powai Debenture Subscription Agreement and the acquisition mechanics, see “*The Acquisition Transactions*” beginning on page 204.

Brookfield REIT also proposes to subscribe to the G1 Issuance Securities (1 Equity Share and 2 CCDs) and acquire the G1 Sale Securities from the G1 Sellers (*i.e.*, 5,031 Equity Shares and 4,559 CCDs), resulting in acquisition of 50% of the share capital (on a fully diluted basis) of G1 SPV (and simultaneous to the occurrence of ‘Completion’ under the Reco Cerium SPA, subscribe to the G1 Consideration NCDs, *i.e.*, 300,000 unlisted non-convertible debentures of G1 SPV with a face value of ₹1,000 each and having such terms and conditions as set out in the G1 Debenture Subscription Agreement, for a cash consideration of ₹ 300 million), for a total cash consideration of ₹ 8,921 million. The G1 Consideration NCDs are proposed to be utilized by G1 SPV towards payment of interest/ coupon on CCDs held by BSREP IOH II. For details of the G1 Debenture Subscription Agreement and the acquisition mechanics, see “*The Acquisition Transactions*” beginning on page 204.

The Manager will determine the proportion of the Net Proceeds to be utilized for the respective Acquisition Transactions prior to the closing of such transaction.

#### **2) *General Purposes***

Subject to the REIT Regulations, the Manager will have flexibility in utilizing the balance Net Proceeds and unutilised Issue proceeds, if any, for any purpose in connection with the Acquisition Transactions and for other general purposes including in relation to the operation, meeting exigencies and expenses incurred by the Brookfield REIT or any of its Portfolio Companies (including the Target SPVs), towards funding growth opportunities and strategic initiatives and acquisitions, shareholders and external loans, funding equity contribution towards our assets, working capital requirements, meeting day to day expenses, meeting expenses in the ordinary course of business, strengthening of our marketing capabilities, as may be applicable.

### **Interim use of Net Proceeds**

The Manager will have flexibility to deploy the Net Proceeds in accordance with manner set out herein. Pending utilization of the Net Proceeds for the purposes described above, the Manager may invest the funds in creditworthy instruments, including money market mutual funds, and deposits with banks and corporates or other securities, subject to compliance with the REIT Regulations.

**Bridge financing facilities**

No bridge loans have been raised in connection with the Acquisition Transactions, as on date of this Preliminary Placement Document, which are proposed to be repaid from the Net Proceeds.

**Means of Finance**

The Manager intends to finance the Acquisition Transactions through a combination of (i) the Net Proceeds (as described above); and (ii) subject to market conditions and other relevant factors, may also consider various other forms of fund raising, including preferential allotment of Units, for cash or otherwise, rights offering of Units, incurring of fresh indebtedness at the Brookfield REIT or the respective Target SPV (with respect to the repayment of external debt of the Target SPVs) in accordance with applicable law, including obtaining the approval of the Board and its Unitholders, as required. For further details of the acquisition mechanics, please see "*The Acquisition Transactions*" beginning on page 204.

## MARKET PRICE INFORMATION AND OTHER INFORMATION CONCERNING THE UNITS

The Units have been listed on BSE and NSE since February 16, 2021. The closing price as of July 26, 2023 of the Units on BSE was ₹ 265.21 and NSE was ₹ 265.15.

The tables below provide certain stock market data in relation to the Units for the periods indicated.

**High, low and average market prices of the Units, number of Units traded and total volume traded since February 16, 2021 until the date of this Preliminary Placement Document**

### BSE

Period	High (₹)	Date of High	No of Units traded on date of high	Total volume traded on date of high (₹ million)	Low (₹)	Date of low	No of Units traded on date of low	Total volume traded on date of low (₹ million)	Average price for the period (₹)
February 16, 2021 <sup>(4)</sup> to July 26, 2023	341.63	10-Aug-22	10,701	3.60	219.36	25-Mar-21	162,000	35.27	287.37
January 21, 2022 <sup>(5)</sup> to July 26, 2023	341.63	10-Aug-22	10,701	3.60	253.60	15-Mar-23	17,336	4.39	300.02
February 1, 2022 <sup>(6)</sup> to July 26, 2023	341.63	10-Aug-22	10,701	3.60	253.60	15-Mar-23	17,336	4.39	300.07

(Source: www.bseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same closing price, the date with the higher volume has been chosen.
3. Average price for the period represents the average of the closing prices of all trading days of each period presented above.
4. Date of listing of the units of the Brookfield REIT
5. Date of listing and trading of the units which were allotted on January 17, 2022 by the Brookfield REIT pursuant to a preferential allotment of 16,821,856 units of Brookfield REIT to BSREP India Holdings IV Pte Ltd.
6. Date of listing and trading of the units which were allotted on January 24, 2022 by the Brookfield REIT pursuant to a preferential allotment of 15,463,616 units of Brookfield REIT to BSREP India Holdings IV Pte Ltd.

### NSE

Period	High (₹)	Date of High	No of Units traded on date of high	Total volume traded on date of high (₹ million)	Low (₹)	Date of low	No of Units traded on date of low	Total volume traded on date of low (₹ million)	Average price for the period (₹)
February 16, 2021 <sup>(4)</sup> to July 26, 2023	340.73	11-Aug-22	45,627	15.47	219.41	25-Mar-21	2,042,000	444.44	287.34
January 21, 2022 <sup>(5)</sup> to July 26, 2023	340.73	11-Aug-22	45,627	15.47	254.26	15-Mar-23	186,149	47.32	299.97
February 1, 2022 <sup>(6)</sup> to July 26, 2023	340.73	11-Aug-22	45,627	15.47	254.26	15-Mar-23	186,149	47.32	300.01

(Source: www.nseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same closing price, the date with the higher volume has been chosen.
3. Average price for the period represents the average of the closing prices of all trading days of each period presented above.
4. Date of listing of the units of the Brookfield REIT
5. Date of listing and trading of the units which were allotted on January 17, 2022 by the Brookfield REIT pursuant to a preferential allotment of 16,821,856 units of Brookfield REIT to BSREP India Holdings IV Pte Ltd.
6. Date of listing and trading of the units which were allotted on January 24, 2022 by the Brookfield REIT pursuant to a preferential allotment of 15,463,616 units of Brookfield REIT to BSREP India Holdings IV Pte Ltd. **Monthly high and low prices of the Units, number**



*of Units traded and total volume traded for the six months preceding the date of this Preliminary Placement Document*

**BSE**

Period	High (₹)	Date of High	No of Units traded on date of high	Total volume traded on date of high (₹ million)	Low (₹)	Date of low	No of Units traded on date of low	Total volume traded on date of low (₹ million)
June 2023	273.29	1-Jun-23	4,157	1.14	261.74	21-Jun-23	20,950	5.50
May 2023	275.63	2-May-23	10,858	2.99	268.75	16-May-23	19,019	5.15
April 2023	279.21	5-Apr-23	8,343	2.33	272.84	11-Apr-23	5,524	1.51
March 2023	279.90	29-Mar-23	10,683	2.91	253.60	15-Mar-23	17,336	4.39
February 2023	286.14	1-Feb-23	6,654	1.92	266.71	28-Feb-23	16,263	4.37
January 2023	299.72	12-Jan-23	848	0.25	287.87	30-Jan-23	8,121	2.35

(Source: [www.bseindia.com](http://www.bseindia.com))

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same closing price, the date with the higher volume has been chosen.
3. Average price for the period represents the average of the closing prices of all trading days of each period presented above.

**NSE**

Period	High (₹)	Date of High	No of Units traded on date of high	Total volume traded on date of high (₹ million)	Low (₹)	Date of low	No of Units traded on date of low	Total volume traded on date of low (₹ million)
June 2023	273.25	1-Jun-23	18,754	5.13	261.93	28-Jun-23	65,105	17.08
May 2023	275.40	2-May-23	77,875	21.46	268.10	16-May-23	66,729	17.99
April 2023	279.48	20-Apr-23	55,603	15.43	272.72	11-Apr-23	38,958	10.65
March 2023	279.83	31-Mar-23	135,278	37.79	254.26	15-Mar-23	186,149	47.32
February 2023	285.76	1-Feb-23	108,092	31.14	266.40	28-Feb-23	88,092	23.55
January 2023	299.36	16-Jan-23	18,959	5.66	287.49	30-Jan-23	36,887	10.63

(Source: [www.nseindia.com](http://www.nseindia.com))

Notes:

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same closing price, the date with the higher volume has been chosen.
3. Average price for the period represents the average of the closing prices of all trading days of each period presented above.

**Market price of the Units on the first Working Day following the Board meeting approving the Issue, i.e., May 19, 2023**

**BSE**

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Units traded	Total volume traded (₹ million)
270.60	274.20	270.60	273.14	3,056	0.83

(Source: [www.bseindia.com](http://www.bseindia.com))

**NSE**

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Units traded	Total volume traded (₹ million)
273.80	274.95	271.10	272.91	26,351	7.20

(Source: [www.nseindia.com](http://www.nseindia.com))

### Unitholders holding more than 5% of the Units of the Brookfield REIT

The following Unitholders hold more than 5% of the Units of the Brookfield REIT as at the date of this Preliminary Placement Document:

UNITHOLDER holding more than 5% of the Units			
Sr. No.	Name of the Unitholder	Number of Units held	As a percentage of total outstanding units
1.	BSREP V	54,117,888	16.15%
2.	BSREP IOH	41,499,453	12.38%
3.	BSREP IOH III	36,727,398	10.96%
4.	BSREP II India	28,086,775	8.38%

### Unitholding of the Sponsor, the Manager and the Trustee

As at the date of this Preliminary Placement Document, the Sponsor holds 54,117,888 Units, aggregating to approximately 16.15% of the pre-Issue outstanding Units.

The Trustee and the Manager do not hold any Units and shall not acquire any Units in the Issue. The directors of the Manager do not hold any Units and do not propose to acquire any Units in the Issue.

### Unitholding pattern of the Brookfield REIT

The Unitholding of the Brookfield REIT as at June 30, 2023 as last reported to the Stock Exchanges is set out below:

Category	Category of Unitholder	No. of units held	As a % of total outstanding units	No. of units mandatory held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held
<b>(A)</b>	<b>Sponsor(s) / Manager and their associates/related parties and sponsor group</b>						
<b>(1)</b>	<b>Indian</b>						
(a)	Individuals / HUF	-	-	-	-	-	-
(b)	Central/State Govt.	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-
(d)	Any Other Trust	-	-	-	-	-	-
	Bodies Corporates	-	-	-	-	-	-
	<b>Sub- Total (A) (1)</b>	-	-	-	-	-	-
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non Resident Indians / Foreign Individuals)	-	-	-	-	-	-
(b)	Foreign government	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	4,188,287	1.25	-	-	-	-
(e)	Any Other (Bodies Corporates)	175,895,130	52.49	83,771,769	47.63	160,431,434	91.21
	<b>Sub- Total (A) (2)</b>	<b>180,083,417</b>	<b>53.74</b>	<b>83,771,769</b>	<b>46.52</b>	<b>160,431,434</b>	<b>89.09</b>
	<b>Total unit holding of Sponsor &amp; Sponsor Group (A) = (A)(1)+(A)(2)</b>	<b>180,083,417</b>	<b>53.74</b>	<b>83,771,769</b>	<b>46.52</b>	<b>160,431,434</b>	<b>89.09</b>
<b>(B)</b>	<b>Public Holding</b>						
<b>(1)</b>	<b>Institutions</b>						
(a)	Mutual Funds	27,468,812	8.20				
(b)	Financial Institutions/Banks	3,227,968	0.96				
(c)	Central/State Govt.	-	-				
(d)	Venture Capital Funds	-	-				
(e)	Insurance Companies	33,820,895	10.12				
(f)	Provident/pension funds	-	-				
(g)	Foreign Portfolio Investors	21,158,583	6.31				
(h)	Foreign Venture Capital investors	-	-				
(i)	Any Other (specify)	-	-				

Category	Category of Unitholder	No. of units held	As a % of total outstanding units	No. of units mandatory held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held
	Bodies Corporates	-	-				
	Alternative Investment Fund	-	-				
#	Systemically Important NBFCs	4,257,600	1.27				
	<b>Sub- Total (B) (1)</b>	<b>90,033,858</b>	<b>26.87</b>				
(2)	<b>Non-Institutions</b>						
(a)	<b>Central Government/State Governments(s)/President of India</b>						
(b)	<b>Individuals</b>	<b>29,383,019</b>	<b>8.77</b>				
(c)	<b>NBFCs registered with RBI</b>	<b>525,800</b>	<b>0.16</b>				
(d)	<b>Any Other (specify)</b>						
	Trusts	17,000	0.01				
	Hindu Undivided Family	751,237	0.22				
	Non Resident Indians (Repat)	317,363	0.09				
	Non Resident Indians (Non-Repat)	398,387	0.12				
	Clearing Members	404	0.00				
	Bodies Corporates	32,237,530	9.62				
	Body Corporate - Limited Liability Partnership	1,338,925	0.40				
	Foreign Portfolio Investor (Individual)	133	0.00				
	<b>Sub-Total (B) (2)</b>	<b>64,969,798</b>	<b>19.51</b>				
	<b>Total Public Unitholding (B) =</b>	<b>155,003,65</b>	<b>46.26</b>				
	<b>(B)(1)+(B)(2)</b>	<b>6</b>					
	<b>Total Units Outstanding (C) =</b>	<b>335,087,07</b>	<b>100.00</b>				
	<b>(A) + (B)</b>	<b>3</b>					

*#The depository data/benpos does not provide classification of systemically important NBFC/ non systemically important NBFCs. Since systemically important NBFCs fall within the definition of institutional investors, based on publicly available information on the Reserve Bank of India website, systemically important NBFC unitholders have been categorized as Institutions.*

#### Post-Issue Unitholding pattern of the Brookfield REIT

[●]

#### Consolidated Net Asset Value at fair value as at March 31, 2023

The consolidated NAV at fair value as at March 31, 2023 is ₹ 332.08 per Unit.

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Units. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from the Manager or the Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Investors that apply in the Issue will be required to confirm, and will be deemed to have represented to us, the Trustee, the Manager, the Lead Managers and their respective directors, officers, agents, affiliates and representatives, that they are eligible under all applicable law, rules, regulations and guidelines to acquire the Units in the Issue. Also see "Selling Restrictions" beginning on page 334. The Brookfield REIT, the Manager, the Trustee, the Lead Managers and their respective directors, officers, agents, advisors, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Units in the Issue. The Trustee or the Manager are acting on behalf of the Brookfield REIT.*

*The Brookfield REIT, the Manager, the Trustee, the Lead Managers and their respective directors, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Investors are advised to make their independent investigations and satisfy themselves that they are Eligible Institutional Investors and are eligible to apply in the Issue. Eligible Institutional Investors are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Units that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible Institutional Investors shall be solely responsible for compliance with applicable securities laws, including the SEBI Prohibition of Insider Trading Regulations and the Code on unpublished price sensitive information, other applicable law and dealing in securities of the Brookfield REIT.*

### Authority for the Issue

**THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT RELATE TO AN ISSUE BEING MADE ONLY TO ELIGIBLE INSTITUTIONAL INVESTORS AND NO OFFER IS BEING MADE TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with SEBI and, no Units will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible Institutional Investors.

The Issue is being made to Eligible Institutional Investors in reliance upon the SEBI Institutional Placement Guidelines and the REIT Regulations, through the mechanism of institutional placement. The Brookfield REIT is eligible to undertake the Issue under the SEBI Institutional Placement Guidelines and the REIT Regulations.

This Preliminary Placement Document and the Placement Document are private documents provided only to select Eligible Institutional Investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or the Placement Document uploaded or to be uploaded, as applicable, on the website of the Stock Exchanges or the Brookfield REIT, with a disclaimer to the effect that it is in connection with an institutional placement and that no offer is being made to the public or to any other category of investors, for making an application to subscribe to Units pursuant to the Issue.

The Issue was authorized and approved by the Board of Directors of the Manager on May 18, 2023 and approved by the Unitholders on June 12, 2023.

Units being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognized stock exchange.

**The Units offered in the Issue have not been, and will not be, registered under the U.S. Securities Act or any other applicable law of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Units are only being offered and sold (i) within the United States only to persons reasonably believed to be U.S. QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in an "offshore transaction" as defined in and in compliance with Regulation S under the U.S. Securities**

**Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as “QIBs”. For further information, see “*Selling Restrictions*” beginning on page 334.**

**The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The Manager has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. The Brookfield REIT has received in-principle approval from each of the Stock Exchanges under the SEBI Institutional Placement Guidelines.

After the Allotment of Units pursuant to the Issue, the Manager shall make applications to the Stock Exchanges for the listing approvals. Subsequently, after the credit of Units to the beneficiary accounts of the Allottees, the Manager shall make applications to the Stock Exchanges for the final trading approvals.

### **Issue Procedure**

1. The Manager and the Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible Institutional Investors and the Application Form will be specifically addressed to each such Eligible Institutional Investor. The Manager shall maintain a record of the Eligible Institutional Investors to whom a serially numbered Preliminary Placement Document and Application Form has been dispatched. The Manager will make the requisite filings with SEBI within the stipulated time periods as required under the SEBI Institutional Placement Guidelines. The list of Eligible Institutional Investors to whom this Preliminary Placement Document and the Application Form is delivered will be determined by the Manager in consultation with the Lead Managers.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account where the Application Amount is to be deposited, is addressed to a particular Eligible Institutional Investors, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible Institutional Investor.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.
3. Eligible Institutional Investors may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Lead Managers.
4. Bidders will be required to indicate the following in the Application Form:
  - full official name of the Bidder to whom Units are to be Allotted, complete address, phone number, PAN, e-mail address and bank account details;
  - number of Units Bid for;
  - price at which they are agreeable to subscribe for the Units and the aggregate Application Amount for the number of Units Bid for;
  - details of the depository account to which the Units should be credited;
  - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form; and
  - a representation that they are either (i) outside the United States and acquiring the Units in an “offshore transaction” as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur, or (ii) within the United States only to persons reasonably believe to be U.S. QIBs in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act, and they have agreed to certain other representations set forth in “*Representations by Investors*” and “*Purchaser Representation and*

*Warranties*” beginning on pages 4 and 343, and certain other representations made in the Application Form.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Units Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Units shall be made from the bank accounts of the relevant Bidders and the Manager shall keep a record of the bank account from where such payment has been received. Application Amount payable on Units to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, the Trustee and the Manager shall ensure that the Application Amount received for subscription of the Units is kept in a separate bank account in the name of Brookfield REIT and shall only be utilized for adjustment against allotment of Units or refund of money to the Bidders till the time such Units are listed. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Units in the Issue, or a Bidder withdraws the Bid prior to the Issue Closing Date or the number of Units Allocated to the Bidder is lower than the number of Units applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount is in excess of the amount equivalent to the product of the Units that have been Allocated to the Bidder and the Issue Price, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “- Refunds” below.
6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible Institutional Investors shall be deemed to have been given notice of such date after receipt of the Application Form.
7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.
8. Each FPI is required to submit a separate Application Form.
9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, the Manager shall, in consultation with the Lead Managers, determine the final terms, including the Issue Price of the Units to be issued pursuant to the Issue and Allocation and the successful Bidders to whom such Units have been Allocated. Upon such determination, the Lead Managers, on behalf of the Brookfield REIT, will send serially numbered CANs to the successful Bidders who have been Allocated Units in the Issue. The dispatch of a CAN, and the Placement Document (when dispatched) to a successful Bidder shall be deemed a valid, binding and irrevocable contract for successful Bidders to subscribe to the Units Allocated to such Bidders at an aggregate price equal to the product of the Issue Price and Units Allocated to such Bidders. The CAN shall contain details such as the number of Units Allocated to the successful Bidders, Issue Price and the aggregate amount received towards the Units Allocated. Please note that the Allocation will be at the absolute discretion of the Manager in consultation with the Lead Managers.
10. Upon determination of the Issue Price and the issue of CAN and before Allotment of Units to successful Bidders, the Lead Managers, shall, on behalf of the Brookfield REIT, send a serially numbered Placement Document to each successful Bidder that has been Allocated Units.
11. Upon dispatch of the serially numbered Placement Document, the Manager shall Allot Units as per the details in the CANs sent to successful Bidders. The Manager will inform the Stock Exchanges of the details of the Allotment.
12. After passing the resolution for Allotment and prior to the credit of Units into the beneficiary account of the successful Bidders maintained by the depository participant, the Manager shall apply to the Stock Exchanges for listing approvals in respect of the Units Allotted pursuant to the Issue.
13. After receipt of the listing approvals from the Stock Exchanges, the Manager shall ensure credit of the

Units Allotted pursuant to the Issue into the beneficiary accounts of the respective Allottees.

14. The Manager will then apply for the final trading approvals from the Stock Exchanges.
15. The Units that would have been credited to the beneficiary account with the Depository Participant of the successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and the Manager may communicate the receipt of the listing and trading approvals to the Allottees. The Manager, the Brookfield REIT, the Trustee and the Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges.

### **Institutional Investors**

Only Eligible Institutional Investors are eligible to invest in the Units pursuant to the Issue. Currently, Eligible Institutional Investors, who are eligible to participate in the Issue and as also defined in Regulation 2(1)(y) of the SEBI ICDR Regulations and not being excluded pursuant to paragraph 10.11.2 of the SEBI Institutional Placement Guidelines are:

- qualified institutional buyer as defined in the SEBI ICDR Regulations consisting of the following:
  - a) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI;
  - b) a foreign portfolio investor other than individuals, corporate bodies and family offices;
  - c) a public financial institution;
  - d) a scheduled commercial bank;
  - e) a multilateral and bilateral development financial institution;
  - f) a state industrial development corporation;
  - g) an insurance company registered with the Insurance Regulatory and Development Authority of India;
  - h) a provident fund with minimum corpus of ₹25 crore;
  - i) a pension fund with minimum corpus of ₹25 crore;
  - j) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
  - k) insurance funds set up and managed by army, navy or air force of the Union of India;
  - l) insurance funds set up and managed by the Department of Posts, India;
  - m) systemically important non-banking financial companies; and
- family trust or intermediaries registered with SEBI, with net worth of more than five hundred crore rupees, as per the last audited financial statements,

subject to such Eligible Institutional Investors not being excluded pursuant to paragraph 10.11.2 of the SEBI Institutional Placement Guidelines.

**Eligible FPIs are permitted to participate in the Issue in accordance with the FEMA Rules read with applicable provisions of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 and other applicable foreign exchange laws and such other terms and conditions as may be prescribed by the SEBI from time to time.**

### **Restriction on Allotment**

Pursuant to paragraph 10.11.2 of the SEBI Institutional Placement Guidelines, allotment in the Issue shall not be made to an institutional investor who is a “sponsor” or “manager”, each as defined under the REIT Regulations, of the Brookfield REIT or to a person related to, a related party or associate (as defined under the REIT Regulations) of any of the Sponsor or the Manager, either directly or indirectly, except as specifically permitted under the SEBI Institutional Placement Guidelines. Provided that allotment in the institutional placement can be made to a sponsor for unsubscribed portion in the Issue, under the following conditions set forth under the SEBI Institutional Placement Guidelines:

- a. at least 90% of the issue size has been subscribed;
- b. objects of the Issue is acquisition of assets from that sponsor;
- c. units allotted to sponsor shall be locked in as per paragraph 10.6 of the SEBI Institutional Placement Guidelines; and
- d. unitholders approval shall be taken for the unsubscribed portion being allotted to that sponsor.

No Allotment shall be made pursuant to Bids submitted by Eligible Institutional Investors such that the Bid or subscription to the Units by the investor would result in acquisition of Units which, taken together with Units already held by such investor and any person acting in concert with such investor in the Brookfield REIT, would exceed 25% of the value of the post Issue outstanding units of the Brookfield REIT.

The Trustee or the Valuer or an employee of the Valuer involved in the valuation of the Asset SPVs or the assets proposed to be acquired out of the proceeds of the Issue are not permitted to invest in the Units.

Affiliates or associates of the Lead Managers, who are Eligible Institutional Investors, may participate in the Issue in compliance with applicable laws.

### **Bid Process**

#### ***Application Form***

Eligible Institutional Investors shall only use the serially numbered Application Forms (which are addressed to them) supplied by the Manager and/or the Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including any revision thereof) for Units through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible Institutional Investors will be deemed to have made the following representations, warranties, acknowledgements, and undertakings given or made under the sections “*Notice to Investors*”, “*Representations by Investors*” and “*Selling Restrictions*” beginning on pages 1, 4 and 334, respectively:

- The Eligible Institutional Investor confirms that it is an Institutional Investor and is not prohibited under paragraph 10.11.2 of the SEBI Institutional Placement Guidelines from participating in the Issue, has a valid and existing registration under the applicable law in India (to the extent applicable) and is eligible to participate in the Issue;
- The Eligible Institutional Investor acknowledges that it has no right to withdraw or revise its Bid after the Issue Closing Date;
- The Eligible Institutional Investor confirms that if Units are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Units otherwise than on the Stock Exchanges;
- The Eligible Institutional Investor confirms that it is eligible to Bid and hold Units so Allotted together with any Units already held by it prior to the Issue. The Eligible Institutional Investor further confirms that its holding of the Units, does not and shall not, exceed the level permissible as per any applicable law applicable to the Eligible Institutional Investor;
- The Eligible Institutional Investor agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period, Brookfield REIT reserves the right to Allocate



and Allot Units pursuant to the Issue on a discretionary basis in consultation with the Lead Managers. The Eligible Institutional Investor further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Units Bid for in full or in part;

- The Eligible Institutional Investor confirms that the Bid submitted by it or its subscription to the Units will not result in acquisition of Units which taken together with Units already held by it and any person acting in concert with it in the Brookfield REIT exceeding 25% of the value of the outstanding units of the Brookfield REIT;
- The Eligible Institutional Investor confirms that it is either (i) inside the United States, and is a U.S. QIB, or (ii) outside the United States, and is acquiring the Units in an “offshore transaction” as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur, and in either cases is not our affiliate or a person acting on behalf of such an affiliate;
- The Eligible Institutional Investor acknowledges that no Allocation shall be made to it if the price at which it has Bid for in the Issue is lower than the Issue Price; and
- The Eligible Institutional Investor confirms that it shall not undertake any trade in the Units credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Units are issued by the Stock Exchanges.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Units is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy.

**ELIGIBLE INSTITUTIONAL INVESTORS MUST PROVIDE THEIR NAME, E-MAIL ID, BENEFICIARY ACCOUNT DETAILS, PAN, NATIONALITY, DEPOSITORY PARTICIPANT'S NAME, COMPLETE ADDRESS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE INSTITUTIONAL INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE LEAD MANAGERS, THE ELIGIBLE INSTITUTIONAL INVESTORS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN “INSTITUTIONAL INVESTOR” AS SET OUT ABOVE.**

**IF SO REQUIRED BY THE LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE INSTITUTIONAL INVESTORS SUBMITTING A BID AND/OR BEING ALLOTTED UNITS IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Units that may be Allotted to such Bidder and shall become a binding contract on a successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by the Manager in favour of the successful Bidder.

#### ***Submission of Application Form***

All Application Forms must be duly completed with information including the number of Units applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Lead Managers either through electronic form or through physical delivery at any of the following addresses:

**BofA Securities India Limited**

Ground Floor, "A" Wing, One BKC, "G" Block  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051  
Maharashtra, India

**Contact Person:** Siddharth Sahoo

**E-mail:** dg.project\_brookfield\_qip@bofa.com

**Phone no.:** +91 22 6632 8000

**Kotak Mahindra Capital Company Limited**

1<sup>st</sup> Floor, 27 BKC, Plot No. 27, 'G' Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Maharashtra, India

**Contact Person:** Karl Sahukar

**E-mail:** biret.qip@kotak.com

**Phone no.:** +91 22 4336 0000

**Axis Capital Limited**

1<sup>st</sup> Floor, Axis House  
C-2 Wadia International Centre  
P. B. Marg, Worli  
Mumbai 400 025  
Maharashtra, India

**Contact Person:** Riddhi Dhakan

**E-mail:** brookfieldreit.qip@axiscap.in

**Phone no.:** +91 22 4325 2183

**JM Financial Limited**

7<sup>th</sup> Floor, Cynergy  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**Contact Person:** Prachee Dhuri

**E-mail:** brookfieldindiareit.qip@jmfl.com

**Phone no.:** +91 22 6630 3030

**IIFL Securities Limited**

10<sup>th</sup> Floor, IIFL Centre, Kamala City  
Senapati Bapat Marg, Lower Parel (West)  
Mumbai 400 013  
Maharashtra, India

**Contact Person:** Yogesh Malpani / Pawan Kumar Jain

**E-mail:** brookfieldreit.qip@iiflcap.com

**Phone no.:** +91 22 4646 4728

**ICICI Securities Limited**

ICICI Venture House  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**Contact Person:** Namrata Ravasia/ Rupesh Khant

**E-mail:** brookfieldreitqip@icicisecurities.com

**Phone no.:** +91 22 6807 7100

**Morgan Stanley India Company Private Limited**

18<sup>th</sup> Floor, Tower 2, One World Centre  
Plot 841, Jupiter Textile Mill Compound  
Senapati Bapat Marg  
Lower Parel, Mumbai 400 013  
Maharashtra, India

**Contact Person:** Shreyas Goel

**E-mail:** brookfieldreitqip@morganstanley.com

**Phone no.:** +91 22 6118 1000

**Citigroup Global Markets India Private Limited**

1202, 12<sup>th</sup> Floor, First International Financial Centre  
G-Block, C54 & 55, Bandra Kurla Complex  
Bandra (East), Mumbai 400 098  
Maharashtra, India

**Contact Person:** Huzefa Bodabhaiwala

**E-mail:** biret.qip@citi.com

**Phone no.:** +91 22 6175 9999

**Jefferies India Private Limited**

16<sup>th</sup> Floor, Express Towers,  
Nariman Point, Mumbai – 400 021  
Maharashtra, India

**Contact Person:** Suhani Bhareja

**E-mail:** brookfield.REIT.QIP@jefferies.com

**Phone no.:** +91 22 4356 6000

**SBI Capital Markets Limited**

1501, 15<sup>th</sup> floor, A & B Wing  
Parinee Crescenzo Building  
G Block, Bandra Kurla Complex  
Mumbai – 400 051,  
Maharashtra India

**Contact Person:** Vaibhav Shah/Kunal Safari

**E-mail:** brookfield.qip@sbicaps.com

**Phone no.:** +91 22 4006 9807

**BOB Capital Markets Limited**

1704, B Wing, 17<sup>th</sup> Floor  
Parinee Crescenzo, Plot No. C – 38/39  
G Block, Bandra Kurla Complex  
Bandra (East), Mumbai-400 051  
Maharashtra, India

**Contact Person:** Nivedika Chavan

**E-mail:** brookfieldreit.qip@bobcaps.in

**Phone no.:** +91 22 61389353

The Lead Managers, Trustee and the Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue shall pay the entire Application Amount during the Issue Period.

### **Payment of Application Amount**

The Manager and the Trustee have opened the Escrow Account with the Escrow Agent, in terms of the Escrow Agreement. Bidders will be required to deposit the entire Application Amount payable for the Units applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

### **Payments through cheque, demand draft or cash shall be rejected.**

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Bid is liable to be rejected.

### ***Permanent Account Number or PAN***

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected, except from Bidders which are not required to hold a PAN under applicable law. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected.

### ***Bank Account Details***

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

### **Pricing and Allocation**

#### ***Build-up of the Book***

The Eligible Institutional Investors shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Lead Managers. Such Bids cannot be withdrawn or revised after the Issue Closing Date. The book shall be maintained by the Lead Managers.

#### ***Price Determination and Allocation***

The Manager, in consultation with the Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, Brookfield REIT, in consultation with the Lead Managers, may offer a discount of not more than 5% on the Floor Price in terms of SEBI Institutional Placement Guidelines as approved by the Unitholders at their meeting on June 12, 2023.

After finalisation of the Issue Price, the Manager shall update this Preliminary Placement Document with the Issue Price details and file the Placement Document with the Stock Exchanges.

#### ***Method of Allocation***

The Manager shall determine the Allocation in consultation with the Lead Managers on a discretionary basis and in compliance with REIT Regulations and SEBI Institutional Placement Guidelines.

Bids received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price.

**THE DECISION OF THE MANAGER IN CONSULTATION WITH THE LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE INSTITUTIONAL INVESTORS. ELIGIBLE INSTITUTIONAL INVESTORS MAY NOTE THAT ALLOCATION OF UNITS IS AT THE SOLE AND ABSOLUTE DISCRETION OF THE MANAGER IN CONSULTATION WITH THE LEAD MANAGERS AND ELIGIBLE INSTITUTIONAL INVESTORS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE**

**ISSUE PRICE. NEITHER MANAGER NOR THE LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

**CAN**

Based on receipt of the Application Forms and Application Amount, the Manager, in consultation with the Lead Managers, in its sole and absolute discretion, shall decide the successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Units Allocated to them, the Issue Price and the total amount received towards Units Allocated to them shall be notified to such successful Bidders.

The successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible Institutional Investors shall be deemed a valid, binding and irrevocable contract for the Institutional Investors to subscribe to the Units Allocated to such successful Bidders at an aggregate price equivalent to the product of the Issue Price and Units Allocated to such successful Bidders. Subsequently, Board of Directors or the Issue Committee will approve the Allotment of the Units to the Allottees.

**Institutional Investors are advised to instruct their Depository Participant to accept the Units that may be Allotted to them pursuant to the Issue.**

By submitting the Application Form, the Eligible Institutional Investors would have deemed to have made the representations and warranties as specified in “*Representations by Investors*” beginning on page 4 and further that such Eligible Institutional Investors shall not undertake any trade on the Units credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

***Designated Date and Allotment of Units***

The Manager, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment, the Manager shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, the Manager shall credit the Units into the beneficiary accounts of the successful Bidders. Following the credit of the Units into the successful Bidders’ beneficiary accounts, the Manager will apply for final listing and trading approvals from the Stock Exchanges.

The pre and post-Issue Unitholding pattern of the Brookfield REIT will be filed by the Manager with the Stock Exchanges and the Manager will also file an allotment report with the SEBI providing details of the Allottees and the Allotment made.

After finalization of the Issue Price, the Manager shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

**Refunds**

In the event that the Units are not Allocated to a Bidder for any reason, or the number of Units Allocated to a successful Bidder is lower than the number of Units applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a successful Bidder is in excess of the amount equivalent to the product of the Units that have been Allocated to such Bidder and the Issue Price, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the date of issuance of the CAN.

Post Allotment, the Manager shall make an application for listing of the units to the stock exchange(s) and the Units shall be listed within two working days from the date of Allotment.

If the Units fail to be listed within the specified time, the monies received shall be refunded through verifiable means within four working days from the date of the allotment, and if any such money is not repaid within such

time after the issuer becomes liable to repay it, the Brookfield REIT and the Manager and its director or partner who is an officer in default shall, on and from the expiry of the fourth working day, be jointly and severally liable to repay that money with interest at the rate of 15% per annum.

Allotment pursuant to the Unitholders' resolution shall be completed within a period of 365 days from the date of passing of the unitholder resolution.

#### **Other Instructions**

##### ***Right to Reject Applications***

The Manager, in consultation with the Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of the Manager in consultation with the Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see – “*Bid Process*” and – “*Refund*” above.

##### ***Units in Dematerialized form with NSDL or CDSL***

The Allotment of the Units in the Issue shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible Institutional Investor applying for Units to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Units Allotted to an Eligible Institutional Investor will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the Eligible Institutional Investor.

Units in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Units to be issued pursuant to the Issue would be in dematerialized form only for all Institutional Investors in the demat segment of the respective Stock Exchanges.

The Manager and the Lead Managers will not be responsible or liable for the delay in the credit of Units to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Eligible Institutional Investor.

#### **Release of Funds to Brookfield REIT**

The Escrow Agent shall not release the monies lying to the credit of the Escrow Account to Brookfield REIT until the receipt of final trading and listing approvals of the Stock Exchanges for Units offered in the Issue and the receipt of the relevant instructions.

## PLACEMENT

The Lead Managers have entered into a placement agreement dated July 27, 2023 with the Trustee (acting in its capacity as the trustee of the Brookfield REIT) and the Manager (acting in its capacity as the manager of the Brookfield REIT), pursuant to the which, the Lead Managers have agreed, subject to certain conditions, to procure subscribers for the Units in the Issue, on a reasonable efforts basis, pursuant to applicable provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines.

The Placement Agreement contains customary representations and warranties, as well as indemnities from the Manager and the Trustee, on behalf of the Brookfield REIT, and it is subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document has not been, and will not be, registered as an offer document or a prospectus and, no Units will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible Institutional Investors.

The Manager (acting on behalf of the Brookfield REIT) will make applications to list the Units issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Units, the ability of Unitholders to sell their Units or the price at which holders of the Units will be able to sell their Units.

The Lead Managers and their respective affiliates may engage in transactions with and perform services for the Brookfield REIT, the Manager, the Trustee, the Portfolio Companies, the Sponsor, the Sponsor Group and their respective affiliates in the ordinary course of business and may have engaged, or may in the future engage, in commercial banking and investment banking transactions with such entities, for which they may have received compensation and may in the future receive compensation. Also see, “*Risk Factors – There may be conflict of interests between the Lead Managers, their respective associates or affiliates and our Asset SPVs, our Manager, the Trustee, Sponsor, Sponsor Group, or their respective associates or affiliates*” beginning on page 67.

### **Lock-up**

#### ***Brookfield REIT***

The Manager and Trustee (acting on behalf of the Trust), shall not, without the prior written consent of the Lead Managers, directly or indirectly, during the period commencing on the Closing Date and ending 60 days from the date of the Placement Document (both dates inclusive), directly or indirectly: (i) offer, issue, sell, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Units or any other securities of the Trust that are convertible into, exercisable or exchangeable for, or that represent the right to receive lock-up Units, whether now owned or hereinafter acquired; (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the lock-up Units and the securities that are convertible into, exercisable or exchangeable for Units, whether now owned or hereinafter acquired; whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Units or such other securities, in cash or otherwise, (iii) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the lock-up Units in any depository receipt facility, or (iv) publicly announce its intention to enter into the transactions referred to in (i) to (iii) above. Provided, however, that the foregoing shall not apply to (i) any transaction required by law or an order of a court of law or a statutory authority; (ii) any issuance by the Trust whether by way of a further public offer, preferential issuance, rights issuance, or an institutional placement of Units of the Trust where the proceeds are used towards a) funding of the consideration for the Downtown Powai Acquisition and/or G1 Acquisition or b) partial repayment /prepayment of external debt availed by G1 SPV and/or Downtown Powai SPV.

#### ***Sponsor and Sponsor Group***

The Sponsor and Sponsor Group hereby agree that, without the prior written consent of the Lead Managers, they shall not, during the period commencing on the Closing Date (i.e. the date on which Units are Allotted in the Issue) and ending 60 days from the date of the Placement Document (both dates inclusive): except for (i) any *inter-se* transactions among the Sponsor Group or their respective Affiliates or any transaction in relation to creation or enforcement of any Encumbrance in connection with any borrowing availed by the Trust or the Sponsor Group, or (ii) any transfer of units by Sponsors and Sponsor Group where the proceeds of such transfer are used directly or

indirectly for the purposes of completing the Downtown Powai Acquisition and/or the G1 Acquisition or (iii) any transaction required by law or an order of a court of law or a statutory authority: (i) offer, issue, sell, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Units or any other securities of the Trust that are convertible into, exercisable or exchangeable for, or that represent the right to receive lock-up Units, whether now owned or hereinafter acquired; (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the lock-up Units and the securities that are convertible into, exercisable or exchangeable for Units, whether now owned or hereinafter acquired; whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Units or such other securities, in cash or otherwise, (iii) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the lock-up Units in any depository receipt facility, or (iv) publicly announce its intention to enter into the transactions referred to in (i) to (iii) above.

## SELLING RESTRICTIONS

*The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Units is restricted by law in certain jurisdictions. Persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.*

### General

No action has been taken or will be taken that would permit a public offering of the Units to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Brookfield REIT or the Units in any jurisdiction where action for such purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Units may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI regulations. Each subscriber of the Units in the Issue will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described in “*Purchaser Representations and Warranties*” beginning on page 343.

### India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Units may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible Institutional Investors and is not an offer to the public or any other class of investors other than Eligible Institutional Investors. This Preliminary Placement Document is neither a public issue nor a prospectus under the Companies Act, 2013 or the REIT Regulations or the SEBI Institutional Placement Guidelines or an advertisement and should not be circulated to any person other than to whom the offer is made. This Preliminary Placement Document has not been and will not be registered as a prospectus in India.

### Australia

No placement document, prospectus, product disclosure statement or other disclosure document (including as defined in the Corporations Act 2001 (Cth) (“**Corporations Act**”)) has been or will be lodged with the Australian Securities and Investments Commission (“**ASIC**”) or any other governmental agency, in relation to the offering. This Preliminary Placement Document does not constitute a prospectus, product disclosure statement or other disclosure document for the purposes of Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. No action has been taken which would permit an offering of the Units in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act.

The provision of this Preliminary Placement Document to any person in Australia does not constitute an offer of the Units to that person or an invitation to that person to apply for the issue of any Units unless the recipient is a person to whom an offer of such Units may be made in Australia without the need for a disclosure statement under Chapter 6D or a product disclosure statement under Part 7.9 of the Corporations Act pursuant to the exemptions for offers to certain investors. This Preliminary Placement Document is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia and is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Units in Australia.

The Units may not be offered for sale, nor may application for the sale or purchase or any Units be invited in Australia (including an offer or invitation which is received by a person in Australia) and neither this Preliminary Placement Document nor any other offering material or advertisement relating to the Units may be distributed or published in Australia unless, in each case:

- (a) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A\$500,000 (or its equivalent in another currency, in either case, disregarding moneys lent by the person offering the Units or making the invitation or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act;



- (b) the offer, invitation or distribution complied with the conditions of the Australian financial services license of the person making the offer, invitation or distribution or an applicable exemption from the requirement to hold such license;
- (c) the offer, invitation or distribution complies with all applicable Australian laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);
- (d) the offer or invitation does not constitute an offer or invitation to a person in Australia who is a “retail client” as defined for the purposes of Section 761G of the Corporations Act; and
- (e) such action does not require any document to be lodged with ASIC or the Australian Securities Exchange.

The Preliminary Placement Document has not been prepared specifically for Australian investors and investors are urged to consult their legal advisors with respect to the specific U.S. and Australian securities and tax laws applicable to the Units prior to investing in the Units. It:

- may contain references to dollar amounts which are not Australian dollars;
- may contain financial information which is not prepared in accordance with Australian law or practices;
- may not address risks associated with investment in foreign currency denominated investments; and
- does not address Australian tax issues and risks.

If the Units are to be on-sold to investors in Australia within 12 months of the issue of the Units, they may only be offered, issued, sold or distributed in Australia in circumstances where a disclosure statement under Chapter 6D or a product disclosure statement under Part 7.9 of the Corporations Act is not required to be given.

To the extent that any financial service is provided in Australia by the Lead Managers, those services are provided on the basis that they are provided only to “wholesale clients”, as defined in the Corporations Act.

The Lead Managers are not in possession of an Australian Financial Services Licence.

### **Kingdom of Bahrain**

Each Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell any Units except on a private placement basis to persons in the Kingdom of Bahrain who are “accredited investors” for an offer outside Bahrain.

For this purpose, an “accredited investor” means:

- (i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person's principal place of residence;
- (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

### **British Virgin Islands**

Each of the Lead Managers has represented, warranted and agreed that no invitation has been made or will be made, directly or indirectly, to the public in the British Virgin Islands to subscribe for or purchase any of the units and the units are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by the British Virgin Islands laws.

### **Canada**

The Units will not be qualified for sale under the securities laws of any province or territory of Canada. The Units may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions (“NI

45-106”) or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Units must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

This Preliminary Placement Document or any other offering material in connection with the offer of the Units has not been and will not be distributed or delivered in Canada other than to a resident of the Provinces of British Columbia, Alberta, Ontario or Québec in compliance with applicable securities laws.

Prospective Canadian investors are advised that the information contained within this Preliminary Placement Document in relation to the Units has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Preliminary Placement Document and any other offering material relating to the Units and as to the suitability of an investment in the Units in their particular circumstances.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Preliminary Placement Document or any other offering material constituting an “Preliminary Placement Document” under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“NI 33-105”), the parties to this Issue, including Brookfield REIT, and the Lead Managers, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Units.

Upon receipt of this Preliminary Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Units described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only.

*Par la réception de la document d’offre, chaque acheteur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

### **Cayman Islands**

No invitation has or will be made to the public in the Cayman Islands to subscribe for any of the Units. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Units, whether by way of sale or subscription. The Units are not offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

### **EEA public offer selling restrictions**

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no Units have been offered or will be offered pursuant to the Issue to the public in that Relevant, except that Units may be offered to the public in that Relevant State at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation); or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Units shall require the Brookfield REIT, the Manager or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Units in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Units to be offered so as to enable an investor to decide to purchase or subscribe for any Units, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

### **Hong Kong**

Brookfield REIT has not been authorized as collective investment scheme by Hong Kong’s Securities and Futures Commission (“SFC”) pursuant to section 104 of Hong Kong’s Securities and Futures Ordinance (“SFO”), nor has this Preliminary Placement Document been approved by the SFC pursuant to section 105(1) of SFO. Accordingly: (i) the Units may not be offered or sold in Hong Kong by means of any document other than to persons who are “professional investors” within the meaning of the SFO and the Securities and Futures (Professional Investor) Rules made thereunder or as otherwise permitted under the SFO; and (ii) no person may issue, circulate or distribute, or have in its possession for the purposes of issue, circulation or distribution, whether in Hong Kong or elsewhere, any invitation, advertisement or other document relating to the Units, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and the Securities and Futures (Professional Investor) Rules made thereunder.

**WARNING:** The content of this Preliminary Placement Document has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any content of this Preliminary Placement Document, you should obtain independent professional advice.

### **Kuwait**

This Preliminary Placement Document is not for general circulation to the public in Kuwait. The Units have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Units in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Units is being made in Kuwait, and no agreement relating to the sale of the Units will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Units in Kuwait.

### **Malaysia**

No recognition of the Securities Commission Malaysia has been granted for making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase the Units in Malaysia. Accordingly, this Preliminary Placement Document and any other document or material in connection with the Issue will not be circulated or distributed, nor will the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia.

### **Mauritius**

The Units are not being offered to the public in Mauritius and nothing in the Preliminary Placement Document or any information contained herein may be treated as a prospectus for the purposes of the Securities Act 2005 of Mauritius. The Mauritius Financial Services Commission (FSC) has neither reviewed nor approved this document and Brookfield REIT does not hold any licence issued by the FSC. Accordingly, this Preliminary Placement Document has not been registered with the FSC. Units are being offered by way of private placement only to the person to whom such offer shall be made.

Only persons licensed by the FSC as investment dealers, investment advisers or investment bankers conducting activities as an investment dealer or investment adviser may market and carry out any form of solicitation in Mauritius with respect to the offer, distribution or sale of the Units. Where solicitation does not exist, a licensee as distributors of financial products may distribute the Units. The Units may not be offered, distributed or sold, directly or indirectly, in Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Securities Act 2005 of Mauritius.

Brookfield REIT has not been authorized (or recognized) and does not intend to seek authorization (or recognition) with the FSC, and the FSC expresses no opinion as to the matters contained in the Preliminary Placement Document and as to the merits of an investment in the Trust. There is no statutory compensation scheme in Mauritius in the event of failure of Brookfield REIT.

### **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the “**FMC Act**”). The units are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act;
- (f) subscribes, or has subscribed, for securities that have a minimum amount payable of at least NZ\$750,000;  
or
- (g) in other circumstances where there is no contravention of the disclosure requirements of the FMC Act.

### **Oman**

The information contained in this Preliminary Placement Document does not constitute a public offer of Units in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98). Due to legal restrictions, imposed by the Executive Regulations of the Capital Market Law issued by the Capital Market Authority of the Sultanate of Oman (the “**CMA**”), this Preliminary Placement Document is only available to individuals and corporate entities that fall within the description of “sophisticated investors” in Article 139 of the Executive Regulations to the Capital Market Law. The CMA is not liable for the correctness or adequacy of information provided in this Preliminary Placement Document or for identifying whether or not the security being offered pursuant to this Preliminary Placement Document is an appropriate investment for a potential investor. The CMA shall also not be liable for any damage or loss resulting from reliance placed on this Preliminary Placement Document. The investor represents that he/she is a sophisticated investor as described in Article 139 of the Executive Regulations to the Capital Markets Law and has such experience in business and financial matters that he/ she is capable of evaluating the merits and risks of an investment in Units.

The information contained in this Preliminary Placement Document neither constitutes a public offer of Units in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued by Decision No.1/2009). Additionally, this Preliminary Placement Document is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the Sultanate of Oman.

### **Korea**

The Units have not been and will not be registered under the financial investment services and capital markets act of Korea. The Units may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated thereunder) thereof, or to any person for reoffering or resale, directly or indirectly, in Korea or to, or for the account of or benefit of, any resident (as defined under the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated thereunder) thereof, except as otherwise permitted under applicable Korean laws and regulations.

## **Qatar**

Each Lead Manager has represented and agreed that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Units in Qatar (including the Qatar Financial Centre), except: (i) in compliance with all applicable laws and regulations of Qatar, including the Qatar Financial Centre; and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar. This Preliminary Placement Document has not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange.

## **Saudi Arabia**

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Preliminary Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Units offered hereby should conduct their own due diligence on the accuracy of the information relating to the Units. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial advisor.

## **Singapore**

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore, and the offer of the Units is made in reliance on the institutional investor exemption under Section 304 of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (“SFA”). Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale of the Brookfield REIT may not be circulated or distributed, nor may the Units be offered or sold, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 304 of the SFA or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. First sales of the Units acquired pursuant to Section 304 of the SFA are subject to the requirements under Section 304A of the SFA.

## **South Africa**

Due to restrictions under the securities laws of South Africa, no “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the “**South African Companies Act**”)) is being made in connection with the issue of the Units in South Africa. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Units are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one of the exemptions stipulated in the South African Companies Act applies.

Information made available in this Preliminary Placement Document should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

## **Switzerland**

This Preliminary Placement Document may only be freely circulated and Units may only be freely offered, distributed or sold to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies.

Circulating this Preliminary Placement Document and offering, distributing or selling Units to other persons or entities including qualified investors as defined in the Federal Act on Collective Investment Schemes (“CISA”) and its implementing Ordinance (“CISO”) may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor and/or Brookfield REIT, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in

Switzerland and the distributor. Accordingly, legal advice should be sought before providing this Preliminary Placement Document to and offering, distributing or selling/on-selling Units to any other persons or entities.

This Preliminary Placement Document does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Units will not be listed on the SIX Swiss Exchange nor on any other stock exchange or regulated trading venue in Switzerland, and consequently, the information presented in this document does not necessarily comply with the information and disclosure standards set out in the relevant listing rules. The documentation of Brookfield REIT has not been and will not be filed and approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) under the Swiss Collective Investment Schemes Act (**CISA**). Therefore, investors do not benefit from protection under the CISA or supervision by FINMA. This Preliminary Placement Document does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the Units and may neither be copied nor directly or indirectly distributed or made available to other persons.

If you (or any person for whom you are acquiring the Units) are in Switzerland, you (and any such person) represent and warrant that you are (i) a regulated financial intermediary such as a bank, securities dealer, fund management company, asset manager of collective investment schemes or a central bank, or (ii) a regulated insurance institution.

### **Taiwan**

The Units have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission and/or any other regulatory authorities of the Republic of China (Taiwan) pursuant to relevant securities laws and regulations and may not be sold, issued or offered within the Republic of China (Taiwan) through a public offering or in circumstances which constitute an offer or a solicitation of an offer within the meaning of the Securities and Exchange Act or relevant laws and regulations of the Republic of China (Taiwan) that requires a registration or approval of the Financial Supervisory Commission and/or any other regulatory authorities of the Republic of China (Taiwan).

### **United Arab Emirates**

#### *United Arab Emirates (excluding DIFC)*

In the United Arab Emirates (the “**UAE**”) (outside of the financial free zones established pursuant to UAE Federal Law No. 8 of 2004 (the “**Financial Free Zones**”)), the Units are not subject to regulation, under the laws or regulations of the UAE relating to the issue, offering and sale of securities, and will not be admitted to trading on an exchange in the UAE.

This Preliminary Placement Document does not constitute or contain an offer of shares to the general public in the UAE and neither the Units nor this Preliminary Placement Document have been approved by the Securities and Commodities Authority of the UAE (the “**SCA**”), the Central Bank of the UAE or any other regulatory authority in the UAE. In particular, this Preliminary Placement Document has not been approved pursuant to Board Resolution No. 11 of 2016 on the Regulation of the Offering and Issuance of Stocks of Public Joint Stock Companies issued by the SCA (the Offer of Securities Regulation) and the SCA has no responsibility for it.

Accordingly, this Preliminary Placement Document is not intended for circulation or distribution in or into the UAE (outside of the Financial Free Zones), other than to persons in the UAE to whom such circulation or distribution is permitted by, or is exempt from the requirements of, the Offer of Securities Regulation, the SCA’s Board of Directors Decision No. 3 of 2017 Concerning the Organisation of Promotion and Introduction, and other applicable UAE laws and regulations.

#### *Dubai International Financial Centre (“**DIFC**”)*

In the Dubai International Financial Centre, this Preliminary Placement Document may only be provided to Professional Clients, as defined in the Dubai Financial Services Authority (the DFSA) Rulebook (Conduct of Business Module), who are not natural persons.

This Preliminary Placement Document relates to a REIT which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any Preliminary Placement Document or other documents in connection with Brookfield REIT. Accordingly, the DFSA has not approved this Preliminary Placement Document or any other associated documents nor taken any steps to verify the information set out in this Preliminary Placement Document, and has no responsibility for it.

The Units to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units. If you do not understand the contents of this document you should consult an authorized financial adviser.

#### **United Kingdom public offer selling restrictions**

No Units have been offered or will be offered pursuant to the Issue to the public in the United Kingdom, except that Units may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- (c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of Units shall require the Brookfield REIT, the Manager or any Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to Units in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Units to be offered so as to enable an investor to decide to purchase or subscribe for any Units and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

#### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

This document does not constitute an approved prospectus for the purposes of and as defined in section 85 of Financial Services and Markets Act 2000 (“**FSMA**”), has not been prepared in accordance with the prospectus rules issued by the Financial Conduct Authority (“**FCA**”) pursuant to section 73A of the FSMA and has not been approved by or filed with the FCA or by any other authority which would be a competent authority for the purposes of the UK Prospectus Regulation. The Units may not be offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 85 and 102B of the FSMA) save in the circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of the FSMA) being made available to the public before the offer is made.

This document is not to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed only at (a) persons falling within the categories of “investment professionals” as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 as amended (the “**Financial Promotion Order**”), (b) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc), or (c) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as “**relevant persons**”).

This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on this document or any other marketing materials relating to the Units.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Units and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

If the recipient of this document is in any doubt about the investment to which this document relates, they should consult a person authorised under the FSMA who specializes in advising on investing in securities.

#### **United States of America**

The Units offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Units are being offered and sold (a) in the

United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act; and (b) outside the United States in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.



## **PURCHASER REPRESENTATIONS AND WARRANTIES**

*Due to the following restrictions, Bidders are advised to consult legal counsel prior to Bidding for the Units or making any offer, resale, pledge or transfer of the Units.*

The Units Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on BSE or NSE. Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Units, except if the resale of the Units is by way of a regular sale on BSE or NSE.

The Units have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of all states and other jurisdictions of the United States.

*Each purchaser of the Units in the United States is deemed to have represented, agreed and acknowledged as follows:*

1. You confirm that:
  - you are a “qualified institutional buyer” (as defined in Rule 144A under the U.S. Securities Act);
  - you are not a broker-dealer which owns and invests on a discretionary basis less than US\$ 25 million in securities of unaffiliated companies;
  - you were not formed for the purpose of investing in the Brookfield REIT; and
  - you are not an affiliate of the Brookfield REIT or a person acting on behalf of an affiliate of the Brookfield REIT.
2. You are an institution that, in the normal course of business, invests in or purchases securities similar to the Units, you are not purchasing the Units with a view to distribution, and you, and any accounts for which you are acting, (a) are a sophisticated investor that has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Units and (b) are able to bear the economic risk, and sustain a complete loss, of such investment in the Units. If you are acquiring the Units as a fiduciary or agent for one or more investor accounts,
  - each such account is a “qualified institutional buyer” (as defined in Rule 144A under the U.S. Securities Act);
  - you have sole investment discretion with respect to each account; and
  - you have full power and authority to make, and do make, the representations, warranties, agreements, undertakings and acknowledgements contained herein on behalf of each such account.
3. You will base your investment decision on a copy of the Preliminary Placement Document and the Placement Document, as amended or supplemented from time to time. You acknowledge that neither the Brookfield REIT nor any of its affiliates nor any other person (including the Lead Managers) or any of their respective affiliates have made or will make any representations, express or implied, to you with respect to the Brookfield REIT, the Issue, the Units or the accuracy, completeness or adequacy of any financial or other information concerning the Brookfield REIT, the Issue or the Units, other than (in the case of the Brookfield REIT and its affiliates only) the information contained in the Preliminary Placement Document and the Placement Document. You acknowledge that you have not relied on and will not rely on any investigation by, or on any information contained in any research reports prepared by the Lead Managers or any of their respective affiliates.
4. Any Units you acquire will be for your own account (or for the account of an investor who is a “qualified institutional buyer” as to which you exercise sole investment discretion and have authority to make, and do make, the statements contained in this document) for investment purposes, and not with a view to the resale or distribution within the meaning of the U.S. federal securities laws, subject to the understanding that the disposition of its property shall at all times be and remain within its control.

5. You understand that the Units are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Units have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States.
6. You acknowledge and agree that neither you nor any of your affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any “directed selling efforts” (as that term is defined in Regulation S) in the United States with respect to the Units or any form of “general solicitation” or “general advertising” (as defined in Regulation D) in connection with any offer or sale of the Units.
7. You understand that the Units will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and you agree that such securities may not be deposited or caused to be deposited into any unrestricted depository receipt facility established or maintained by any depository bank other than a Rule 144A restricted depository receipt facility, so long as such Units are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act.
8. You agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Units, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.
9. You agree that, prior to any sale of the Units, you shall notify the purchaser of such Units or the executing broker, as applicable, (a) of any transfer restrictions that are applicable to the Units being sold, and (b) that the Units have not been and will not be registered under the U.S. Securities Act.
10. You acknowledge that neither the Brookfield REIT nor any of its affiliates nor any other person (including the Lead Managers) or any of their respective affiliates have made or will make any representations as to the availability of the exemption provided by Rule 144 and Rule 144A for the resale of the Units, nor the availability of any other exemptions from the registration requirements of the U.S. Securities Act for the resale of the Units.
11. You shall notify the executing broker and any other agent involved in any resale of the Units of the foregoing restrictions applicable to the Units and instruct such broker or agent to abide by such restrictions.
12. The purchaser understands that such Units (to the extent they are in certificated form), unless the Brookfield REIT determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**“THE UNITS REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ACCORDINGLY, THE UNITS MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED (1) WITHIN THE UNITED STATES, SOLELY TO A PERSON WHO IS REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (2) OUTSIDE THE UNITED STATES, IN AN “OFFSHORE TRANSACTION” AS DEFINED IN AND IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR.”**
13. You understand and acknowledge that the Brookfield REIT shall have no obligation to recognize any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that the Brookfield REIT may make notation on its records or give instructions to any transfer agent of the Units.

14. You agree to indemnify and hold the Brookfield REIT and the Lead Managers and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. You agree that the indemnity set forth in this paragraph shall survive the resale of the Units.
15. You understand that the foregoing representations, warranties, agreements, undertakings and acknowledgements are required in connection with United States and other securities laws and that the Brookfield REIT, Lead Managers and their respective affiliates, and others are entitled to rely upon the truth and accuracy of the representations, warranties, agreements, undertakings or acknowledgements contained herein. You agree that if any of the representations, warranties, agreements, undertakings and acknowledgements made herein are no longer accurate, you shall promptly notify the Brookfield REIT and the Lead Managers in writing. All representations, warranties, agreements, undertakings and acknowledgements you have made in this document shall survive the execution and delivery hereof.

Any resale or other transfer, or attempted resale or other transfer, of the Units made other than in compliance with the above-stated restrictions shall not be recognized by the Brookfield REIT.

*Each other purchaser of the Units is deemed to have represented, agreed and acknowledged as follows:*

1. You are outside the United States and are purchasing the Units in an “offshore transaction” as defined in Regulation S.
2. You and the person, if any, for whose account or benefit you are acquiring the Units offered pursuant to the Issue, was located outside the United States at the time (i) the offer for such Units was made to it and (ii) when the buy order for such Units was originated, and continues to be located outside the United States and has not purchased such Units for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Units or any economic interest therein to any person in the United States.
3. You are not an affiliate of the Brookfield REIT or a person acting on behalf of an affiliate of the Brookfield REIT.
4. You will base your investment decision on a copy of the Preliminary Placement Document and the Placement Document. You acknowledge that neither the Brookfield REIT nor any of its affiliates nor any other person (including the Lead Managers) or any of their respective affiliates have made or will make any representations, express or implied, to you with respect to the Brookfield REIT, the Issue, the Units or the accuracy, completeness or adequacy of any financial or other information concerning the Brookfield REIT, the Issue or the Units, other than (in the case of the Brookfield REIT and its affiliates only) the information contained in the Preliminary Placement Document and the Placement Document. You acknowledge that you have not relied on and will not rely on any investigation by, or on any information contained in any research reports prepared by the Lead Managers or any of their respective affiliates.
5. You acknowledge (or if acting for the account of another person, such person has confirmed that they acknowledge) that the Units have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.
6. You agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Units, except in an offshore transaction on a recognized Indian stock exchange in compliance with Rule 903 of Regulation S.
7. None of you, any of your affiliates nor any person acting on behalf of you or any of your affiliates, has made or shall make any directed selling efforts (as defined in Regulation S), or any general solicitation or general advertising (as defined in Regulation D), with respect to the Units.
8. You agree that, prior to any sale of the Units, you shall notify the purchaser of such Units or the executing broker, as applicable, (a) of any transfer restrictions that are applicable to the Units being sold, and (b) that the Units have not been and will not be registered under the U.S. Securities Act.
9. You shall notify the executing broker and any other agent involved in any resale of the Units of the

forgoing restrictions applicable to the Units and instruct such broker or agent to abide by such restrictions.

10. You agree to indemnify and hold the Brookfield REIT and the Lead Managers and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. You agree that the indemnity set forth in this paragraph shall survive the resale of the Units.
11. You understand that the foregoing representations, warranties, agreements, undertakings and acknowledgements are required in connection with United States and other securities laws and that the Brookfield REIT, Lead Managers and their respective affiliates and others are entitled to rely upon the truth and accuracy of the representations, warranties, agreements, undertakings or acknowledgements contained herein. You agree that if any of the representations, warranties, agreements, undertakings and acknowledgements made herein are no longer accurate, you shall promptly notify the Brookfield REIT and the Lead Managers in writing. All representations, warranties, agreements, undertakings and acknowledgements you have made in this document shall survive the execution and delivery hereof.

Any resale or other transfer, or attempted resale or other transfer, of the Units made other than in compliance with the above-stated restrictions shall not be recognized by the Brookfield REIT.

## **RIGHTS OF UNITHOLDERS**

The rights and interests of Unitholders are contained in this Preliminary Placement Document and the REIT Regulations. Pursuant to the Trust Deed and the Investment Management Agreement, these rights and interests are safeguarded by the Trustee and the Manager. Any rights and interests of Unitholders as specified in this Preliminary Placement Document would be deemed to be amended to the extent of any amendment to the REIT Regulations.

### **Face Value**

Our Units do not have a face value.

### **Beneficial Interest**

Each Unit represents an undivided beneficial interest in the Brookfield REIT. A Unitholder has no equitable or proprietary interest in our Portfolio (or any part thereof) and is not entitled to the transfer of our Portfolio (or any part thereof) or any interest in our Portfolio (or any part thereof). A Unitholder's right is limited to the right to require due administration of the Brookfield REIT in accordance with the provisions of the Trust Deed and the Investment Management Agreement. The Beneficial Interest of each Unitholder shall be equal and limited to the proportion of the number of Units held by that Unitholder to the total number of Units.

### **Ranking**

No Unitholder of the Brookfield REIT shall enjoy preferential voting or any other rights over another Unitholder. Each Unit Allotted to the Unitholders shall have one vote for any decision requiring a vote of the Unitholders and carry similar rights *pari passu* with all other Units. Further, there shall not be multiple classes of Units. However, the Brookfield REIT may issue subordinate units of the Brookfield REIT only to our Sponsor and its associates (as defined under Regulation 2(1)(b) of the REIT Regulations) of our Sponsor, where such subordinate units shall carry only inferior voting or any other rights compared to other Units.

The Units being issued pursuant to the Issue will rank *pari passu* in all respects with the existing Units, including rights in relation to distributions.

### **Redressal of grievances**

The Trustee shall periodically review the status of Unitholder's complaints and their redressal undertaken by our Manager. The Stakeholders' Relationship Committee of our Manager shall consider and resolve the grievances of the Unitholders. For details, see "*Redressal of Investor Grievances*" beginning on page 246.

### **Distribution**

The Unitholders shall have the right to receive distribution in the manner set forth in this Preliminary Placement Document and/ or the Trust Deed, subject to the REIT Regulations. For details, see "*Distribution*" beginning on page 306.

### **Limitation to the Liability of Unitholders**

The liability of each Unitholder of the Brookfield REIT towards the payment of any amount (that may arise with respect to the Trust Fund (as defined in the Trust Deed) including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the Capital Contribution of such Unitholder in respect of our Units subscribed by it and after such Capital Contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments. The Unitholders shall have no personal liability or obligation with respect to the Brookfield REIT.

### **Participation Rights**

No Unitholder shall participate or take part in the control of the affairs of the Brookfield REIT or have a right or authority to act for, or bind, the Brookfield REIT. No Unitholder shall have a right to make decisions with respect to the Brookfield REIT, save and except to the extent provided in the offer document or placement memorandum (as applicable) and the REIT Regulations. The approval of the Unitholders will be obtained in the manner and to the extent specified in the REIT Regulations.

## Meeting of Unitholders

Meetings of Unitholders will be conducted in accordance with the REIT Regulations.

### Passing of resolutions

- (a) With respect to any matter requiring approval of the Unitholders:
- (i) a resolution shall be considered as passed when the votes cast by Unitholders, so entitled and voting, in favour of the resolution exceed a certain percentage as specified in the REIT Regulations, of votes cast against;
  - (ii) the voting may be done by postal ballot or electronic mode;
  - (iii) a notice of not less than 21 days either in writing or through electronic mode shall be provided to the Unitholders;
  - (iv) voting by any Unitholder (including our Sponsor), who is a related party (as understood in accordance with the REIT Regulations) in such transaction, as well as associates (as defined under Regulation 2(1)(b) of the REIT Regulations) of such Unitholder(s) shall not be considered on the specific issue; and
  - (v) our Manager shall be responsible for all the activities pertaining to conducting of meeting of the Unitholders, subject to overseeing by the Trustee.

Provided that for issues pertaining to our Manager, including a change in Manager, removal of Manager or change in control of Manager; the Trustee shall convene and handle all activities pertaining to conduct of the meetings. Provided further that, for issues pertaining to the Trustee, including change in Trustee, the Trustee shall not be involved in any manner in the conduct of the meeting.

- (b) Further, with respect to the Brookfield REIT:
- (i) an annual meeting of all Unitholders shall be held not less than once a year within 120 days from the end of each Financial Year and the time between two meetings shall not exceed 15 months;
  - (ii) with respect to the annual meeting of Unitholders,
    1. any information that is required to be disclosed to the Unitholders and any issue that, in the ordinary course of business, may require approval of the Unitholders may be taken up in the meeting including:
      - latest annual accounts and performance of the Brookfield REIT;
      - approval of auditor and fees of such auditor, as may be required;
      - latest valuation reports;
      - appointment of valuer, as may be required; and
      - any other issue including special issues as specified under Regulation 22(6) of the REIT Regulations;
    2. for any issue taken up in such meetings which require approval from the Unitholders, votes cast in favour of the resolution shall be more than the votes cast against the resolution or such other percentage as may be prescribed under the REIT Regulations.
- (c) In case of the following, approval from Unitholders shall be required where votes cast in favour of the resolution shall be more than the votes cast against the resolution:
- (i) any approval from Unitholders required in terms of Regulation 18 (Investment conditions and distribution policy), Regulation 19 (Related party transactions) and Regulation 21 (Valuation of assets) of the REIT Regulations;

- (ii) any transaction, other than any borrowing, the value of which is equal to or greater than 25% of the assets of the Brookfield REIT;
  - (iii) any borrowing in excess of specified limit as required under Regulation 20(2) of the REIT Regulations;
  - (iv) any issue of Units after the Issue by the Brookfield REIT, in whatever form, other than any issue of Units which may be considered by SEBI, under Regulation 22(6) of the REIT Regulations;
  - (v) increasing period for compliance with investment conditions to one year in accordance with Regulation 18(9) of the REIT Regulations;
  - (vi) any issue, in the ordinary course of business, which in the opinion of our Sponsor or Trustee or Manager, is material and requires approval of the Unitholders, if any;
  - (vii) de-classification of the status of our Sponsor; and
  - (viii) any issue for which SEBI or the stock exchanges requires approval of the Unitholders.
- (d) In case of the following, approval from Unitholders shall be required where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution:
- (i) any change in our Manager, including removal of our Manager or change in control of our Manager;
  - (ii) any material change in investment strategy or any change in the Brookfield REIT Management Fees;
  - (iii) our Sponsor or Manager proposing to seek delisting of units of the Brookfield REIT;
  - (iv) any issue, not in the ordinary course of business, which in the opinion of Sponsor or Manager or Trustee requires approval of the Unitholders;
  - (v) any issue for which SEBI or the stock exchanges requires approval of the Unitholders; and
  - (vi) any issue taken up on request of the Unitholders including:
    - 1. removal of our Manager and appointment of another manager to the Brookfield REIT;
    - 2. removal of the auditor and appointment of another auditor to the Brookfield REIT;
    - 3. removal of the valuer and appointment of another valuer to the Brookfield REIT;
    - 4. delisting of the Brookfield REIT, if the Unitholders have sufficient reason to believe that such delisting would act in the interest of the Unitholders;
    - 5. any issue which the Unitholders have sufficient reason to believe that is detrimental to the interest of the Unitholders; and
    - 6. change in the Trustee if the Unitholders have sufficient reason to believe that acts of such Trustee are detrimental to the interest of the Unitholders.

With respect to the right(s) of the Unitholders under clause (d)(vi) above:

- (i) not less than 25% of the Unitholders by value, other than any party related to the transactions and its associates (as defined under Regulation 2(1)(b) of the REIT Regulations), shall apply, in writing, to the Trustee for the purpose;
- (ii) on receipt of such application, the Trustee shall require our Manager to place the issue for voting in the manner as specified in the REIT Regulations; and
- (iii) with respect to sub-clause (6) of clause (d)(vi) above, not less than 60% of the Unitholders by value shall apply, in writing, to our Manager for the purpose.

- (e) In case any person, other than sponsor(s), its related parties and its associates wants to acquire Units which taken together with Units held by him and by persons acting in concert with in the Brookfield REIT, exceeds 25% of the value of the outstanding Units, approval shall be obtained from 75% of the Unitholders by value excluding the value of our Units held by the parties related to the transaction. If the required approval is not received, the person acquiring our Units shall provide an exit option to the dissenting Unitholders to the extent and in the manner as may be specified by SEBI.
- (f) In case of any change in sponsor or induction of sponsor or change in control of sponsor or inducted sponsor, approval shall be obtained from 75% of the Unitholders by value excluding the value of our Units held by the parties related to the transaction, prior to such changes. If the required approval is not received, the dissenting Unitholders are required to be provided an exit option in the manner specified under the REIT Regulations.

**Information rights**

The Brookfield REIT and our Manager shall also submit such information to the Stock Exchanges and Unitholders on a periodical basis as may be required within the REIT Regulations and the Listing Agreement. The Brookfield REIT, our Sponsor and Sponsor Group and our Manager shall disclose to the Stock Exchanges, Unitholders and SEBI, as applicable, such information and in such manner in accordance with applicable law.

**Buyback and Delisting of Units**

Any buyback, redemption, return of capital or delisting of Units, will be in accordance with the REIT Regulations.



## SECTION VII: LEGAL AND REGULATORY MATTERS

### LEGAL AND OTHER INFORMATION

*This section contains disclosures, as on the date of this Preliminary Placement Document, on all pending title litigation and irregularities pertaining to the Portfolio and pending criminal matters, regulatory actions and material (as set out below) civil/ commercial matters against the Brookfield REIT, our Sponsor, our Manager or any of their Associates, our Portfolio Companies, our Sponsor Group, the Trustee and the Valuer (collectively, “Required Parties”) and pending direct tax, indirect tax and property tax matters against the Required Parties in a consolidated manner.*

*All disclosures with respect to pending civil/ commercial matters, regulatory actions, criminal litigation and tax matters against Brookfield Corporation have been made in accordance with the materiality threshold separately disclosed below.*

#### **I. Title irregularities (including title litigation) pertaining to the Current Portfolio**

Nil

#### **II. Material litigation, criminal litigation and regulatory action pending against the Brookfield REIT, its Associates and the Portfolio Companies**

*For the purpose of disclosure of pending civil/ commercial litigation against the Brookfield REIT, its Associates, our Portfolio Companies, such matters exceeding ₹ 122.95 million (being 1% of the consolidated income of the Brookfield REIT as of March 31, 2023) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by our Manager from the perspective of the Brookfield REIT, have also been disclosed.*

As on the date of this Preliminary Placement Document, the Brookfield REIT, its Associates, our Portfolio Companies do not have any criminal litigation, regulatory actions or material civil/ commercial litigation pending against them.

#### **III. Material litigation, criminal litigation and regulatory actions pending against our Sponsor and its Associates**

*For the purpose of disclosure of pending civil/ commercial litigation against our Sponsor and its Associates, such matters exceeding US\$ 4.007 million (i.e. approximately ₹ 328.47 million as of March 31, 2023) (being 5% of the net worth of our Sponsor as of March 31, 2023) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by our Manager from the perspective of the Brookfield REIT have also been disclosed.*

As on the date of this Preliminary Placement Document, our Sponsor and its Associates do not have any criminal litigation, regulatory action or any material civil/ commercial litigation pending against them.

#### **IV. Material litigation, criminal litigation and regulatory actions pending against our Sponsor Group**

*For the purpose of disclosure of pending civil/ commercial litigation against our Sponsor Group (excluding our Sponsor and Brookfield Corporation), such matters exceeding ₹ 122.95 million (being 1% of the consolidated income of the Brookfield REIT as of March 31, 2023) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by our Manager have been disclosed.*

As on the date of this Preliminary Placement Document, our Sponsor Group (excluding our Sponsor and Brookfield Corporation) do not have any criminal litigation, regulatory action or material civil/ commercial litigation pending against them.

*With respect to pending civil/ commercial, regulatory actions, criminal litigation and tax litigation against Brookfield Corporation, the threshold for identifying material matters is based on periodically reviewed thresholds applied by the independent auditors of Brookfield Corporation in expressing their opinion on the financial statements and is generally linked to various financial metrics of Brookfield Corporation, including total equity, materiality for revenue and operating expenses which is based on funds from operations. The latest audit plan, prepared by the independent auditors of Brookfield*

Corporation, comprising such threshold has been approved by the audit committee and board of directors of Brookfield Corporation and set such threshold at USD 1.5 billion.

As on the date of this Preliminary Placement Document, Brookfield Corporation is contingently liable with respect to litigation and claims that arise in the normal course of business. It is unlikely that any of the ongoing litigation could result in a material settlement liability.

**V. Material litigation, criminal litigation and regulatory actions pending against our Manager and its Associates**

For the purpose of disclosure of pending civil/ commercial litigation against our Manager and its Associates, such matters exceeding ₹ 67.45 million (being 5% of the total income of our Manager as of March 31, 2023) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by our Manager from the perspective of the Brookfield REIT, have also been disclosed.

As on the date of this Preliminary Placement Document, our Manager, its Associates, do not have any criminal litigation, regulatory action or material civil/ commercial litigation pending against them.

**VI. Material litigation, criminal litigation and regulatory actions pending against Target SPVs**

For the purpose of disclosure of pending civil/ commercial litigation against our Manager and its Associates, such matters exceeding ₹ 122.95 million (being 1% of the consolidated total income of the Brookfield REIT as of March 31, 2023) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by our Manager from the perspective of the Brookfield REIT, have also been disclosed.

As on the date of this Preliminary Placement Document, our Target SPVs do not have any criminal litigation, regulatory action or material civil/ commercial litigation pending against them.

**VII. Material litigation, criminal litigation and regulatory actions pending against the Trustee**

For the purpose of pending civil/ commercial litigation against the Trustee, matters involving amounts exceeding ₹ 12.32 million (being 5% of the profit after tax of the Trustee as of March 31, 2023) have been considered material.

As on the date of this Preliminary Placement Document, the Trustee does not have any criminal litigation, regulatory action or material civil/ commercial litigation pending against it.

**VIII. Material litigation, criminal litigation and regulatory actions pending against the Valuer**

For the purpose of pending civil/ commercial litigation against the Valuer, matters as may be considered material by the Valuer, have been considered material.

As on the date of this Preliminary Placement Document, the Valuer does not have any criminal litigation, regulatory action or material civil/ commercial litigation pending against it.

**IX. Tax Matters**

Details of all direct tax, indirect tax and property tax matters with respect to the Required Parties as on the date of this Preliminary Placement Document is set forth below:

For the purposes of disclosure of tax matters against Brookfield Corporation, see the materiality threshold adopted for disclosure of civil/ commercial litigation, regulatory actions, criminal litigation and tax litigation under “- Material litigation, criminal litigation and regulatory actions pending against our Sponsor Group”, on this page above.

Nature	Number	Amount involved (in ₹ million)
<b>Brookfield REIT and our Portfolio Companies</b>		
Direct tax	49	1,745.19
Indirect tax	5	357.56
<b>Total</b>	<b>54</b>	<b>2,102.75</b>
<b>Target SPVs</b>		

<b>Nature</b>	<b>Number</b>	<b>Amount involved (in ₹ million)</b>
Direct tax	20	282.46
Indirect tax	Nil	Nil
<b>Total</b>	<b>20</b>	<b>282.46</b>
<i>Sponsor Group</i>		
Direct tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

## TAXATION

**STATEMENT OF POSSIBLE DIRECT TAX BENEFITS ("STATEMENT") AVAILABLE TO BROOKFIELD INDIA REAL ESTATE TRUST ("BROOKFIELD REIT" OR "BROOKFIELD INDIA REIT") AND ITS UNITHOLDERS UNDER THE INCOME-TAX ACT, 1961 (THE "ACT") IN CONNECTION WITH PROPOSED INSTITUTIONAL PLACEMENT OF UNITS BY BROOKFIELD INDIA REIT ("ISSUE")**

To

The Board of Directors and Issue Committee of the Board of Directors,  
Brookprop Management Services Private Limited (the "Investment Manager" or "Manager") in its capacity as the Manager of Brookfield India REIT,  
Godrej BKC, Office No.2, 4th Floor, Plot C-68, 3rd Avenue,  
G-Block, Bandra Kurla Complex,  
Mumbai - 400051,  
India

Dear Sirs,

Sub: Statement of possible direct tax benefits available to the Brookfield India Real Estate Trust ("Brookfield REIT" OR "Brookfield India REIT") and its unitholders under the Income Tax Act, 1961 ("Act") in connection with the institutional placement of units by the Brookfield India Real Estate Trust ("Issue").

The enclosed Annexure to Statement of possible direct tax benefits ("Annexure") available to the Brookfield India REIT and its unitholders under the Act in connection with the Issue states the possible direct tax benefits available to Brookfield India REIT and its unitholders under the Act as amended by the Finance Act, 2023 i.e. applicable for the financial year 2023-24 relevant to assessment year 2024-25, presently in force in India. We have initialled the said Annexure for identification only. Several of these benefits are dependent on the Brookfield India REIT or its unitholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Brookfield India REIT or its unitholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives any of them face, they may or may not choose to fulfil. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Manager vide section 2(1)(w) of the SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended. The Annexure is also approved by the Issue Committee Of Board of Directors of the Manager vide Issue Committee meeting dated 24 July 2023.

We are informed that this Annexure is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits and consequences. Neither are we suggesting nor are we advising the investor to invest money based on this Annexure.

Our Statement is based on the information, explanations and representations obtained from the Manager and on the basis of our understanding of the business activities and operations of the Brookfield India REIT. Also, our Statement is basis the existing income tax laws prevalent as on date. We are not responsible for any subsequent impact due to future changes in tax laws.

We do not express an opinion or provide any assurance as to whether:

- The Brookfield India REIT will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits, where applicable have been/would be met with; and
- The revenue authorities/courts will concur with the views expressed herein.

This Statement is intended solely for information and for inclusion in the Preliminary Placement Documents and Placement Document (Placement Documents) in connection with the proposed Issue of the Brookfield India REIT and should not be circulated, copied, used/referred to for any other purpose, without our prior written consent.

Please note that the tax rates provided in this Annexure are excluding applicable surcharge and education cess.

We hereby give our consent to include the enclosed Annexure regarding the tax benefits available to the Brookfield India REIT and its unitholders in the Placement Documents which Brookfield India REIT intends to file with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, provided that the below statement of limitation is included in the Placement Documents.

**LIMITATIONS**

*Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Issue relying on the Statement. This Statement has been prepared solely in connection with the Issue under the prescribed regulations.*

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm 015125N)

**Anand Subramanian**  
Partner  
(Membership No. 110815)  
(UDIN: 23110815BGXVLP3871)

Place: Mumbai

Date: 24 July 2023

**ANNEXURE TO STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO BROOKFIELD INDIA REAL ESTATE TRUST ("BROOKFIELD REIT" OR "BROOKFIELD INDIA REIT") AND ITS UNITHOLDERS UNDER THE INCOME-TAX ACT, 1961 (THE "ACT") IN CONNECTION WITH PROPOSED INSTITUTIONAL PLACEMENT OF UNITS BY BROOKFIELD INDIA REIT ("ISSUE")**

**I. UNDER THE ACT**

**Tax benefits available to Brookfield India REIT**

The following benefits are available to Brookfield India REIT, being a business trust, after fulfilling conditions as per the applicable provisions of the Act and the guidelines prescribed by the Securities and Exchange Board of India ('SEBI') (including the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended) ('SEBI Regulations'). Business trust is defined under section 2(13A) of the Act to include trust registered as Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992).

**Tax benefit in the hands of Brookfield India REIT in respect of interest and dividend income received from the Special Purpose Vehicles ('SPVs')**

Interest and dividend received or receivable by Brookfield India REIT from the project SPVs should be exempt from tax under section 10(23FC) of the Act. For the purposes of this section, SPV means an Indian company in which the business trust holds controlling interest and any specific percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning the above exempt income shall not be tax deductible.

Finance Act, 2020 has abolished Dividend Distribution Tax ('DDT') and hence there shall be no DDT on profits distributed by SPVs to Brookfield India REIT on or after 1 April 2020.

**Benefits in the hands of Brookfield India REIT in respect of rental income arising from directly owned assets**

As per section 10(23FCA) of the Act, any income of Brookfield India REIT by way of renting or leasing or letting out of real estate assets (as defined under the SEBI Regulations) owned directly by Brookfield India REIT shall be exempt in the hands of the trust.

**Taxability in the hands of Brookfield India REIT in respect of income other than the income distributed by the SPVs**

- **Section 115UA(2) read with section 111A, section 112 and section 112A of the Act – Taxability of business income, capital gains and income from other sources in the hands of Brookfield India REIT**

In terms of section 115UA(2) of the Act, the total income of Brookfield India REIT shall be chargeable to tax at the maximum marginal rates in force except for the income chargeable to tax on transfer of Short-Term Capital assets under section 111A and Long-Term Capital assets under section 112. It is pertinent to note that section 112A is not explicitly carved out in section 115UA(2).

If the period of holding of a security (other than a unit) listed on a recognized stock exchange in India or a unit of the Unit Trust of India or a unit of an equity-oriented fund or a zero coupon bond is more than 12 months, it will be considered a long-term capital asset as per section 2(29AA) read with section 2(42A) of the Act. With respect to shares of a company not being listed on a recognized stock exchange in India or immovable property, being land, building, or both, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund (other than equity oriented mutual fund) or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset.

As per the provisions of section 111A of the Act, any income arising from transfer of short-term capital asset being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust, transacted through a recognized stock exchange and subject to STT, will be taxable at a concessional rate of 15% (plus

applicable surcharge and cess). However, the condition of STT is not required if the transaction is undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency.

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax in the hands of Brookfield India REIT at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long-term capital gains on transfer of listed securities (other than units) or Zero-Coupon Bonds shall be taxable at a rate lower of the following:

- 10.00% (plus applicable surcharge and cess) without indexation benefit; or
- 20.00% (plus applicable surcharge and cess) with indexation benefit

Further, as per section 112A, with effect from FY 2018-19, gains exceeding one lakh rupees arising on the transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust, transacted through a recognized stock exchange and subject to STT, shall be chargeable to tax in the hands of Brookfield India REIT at the rate of 10.00% (plus applicable surcharge and cess) without indexation benefit. However, the condition of STT is not required if the transaction is undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is received or receivable in foreign currency.

Section 48 of the Act prescribes the mode of computation of Capital Gains and provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long-term capital gains, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds, debentures, listed equity shares in a company or units of equity-oriented funds or units of a business trust referred to in section 112A of the Act.

In accordance with, and subject to the conditions, including the limit of investment of INR 50 lakhs, capital gains arising on transfer of a long-term capital asset, being land or building or both, shall be exempt from capital gains under section 54EC if the gains are invested within 6 months from the date of transfer in purchase of specified bonds (redeemable after five years and issued on or after 1 April 2018) issued by National Highways Authority of India (NHAI) or Rural Electrification Corporation Ltd (RECL) or any other bond notified by the Central Government, if permitted to be invested by Brookfield India REIT as per the extant governing regulations. In case the whole of the gains are not so invested, the exemption shall be allowed on a pro rata basis.

- **Income by way of dividend**

Finance Act, 2020 abolished section 10(34) and hence Brookfield India REIT shall be liable to pay tax on dividends received on or after 1 April 2020 at maximum marginal rate.

As per section 57 of the Act, no deduction shall be allowable against the dividend income other than deduction on account of interest expense and such interest expense shall not exceed 20% of the dividend income included in the total income for that year, without deduction under section 57 of the Act.

Further, as per section 194 of the Act, the entity declaring dividend shall be liable to withhold tax at the rate of 10.00% on profits distributed to Brookfield India REIT in the form of dividends.

- **Income by way of interest**

Brookfield India REIT shall be liable to pay tax on interest income received from an entity, at maximum marginal rate as per section 115UA of the Act. Further, as per section 193 or 194A of the Act, such entity paying interest shall be liable to withhold tax at the rate of 10% on interest paid to the Brookfield India REIT.

- **Income from buy back of shares**

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on distributed income on buy-back of shares. Distributed income means the consideration paid by the company on buy-back of shares as reduced by the amount which was received by the company for issue of such shares, determined as per Rule 40BB of the Income-tax Rules, 1962. Consequently, any income arising to Brookfield India REIT from the buyback of shares of a domestic company (including an SPV) shall be exempt from income-tax in its hands as per section 10(34A) of the Act.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible.

- **Carry forward and set-off of capital losses**

While any capital gains income earned by Brookfield India REIT on disposition of capital assets will be liable to tax at the applicable rates prescribed by the Act, either as long-term or short-term; losses, if any, of this nature, will be permitted to be set-off and carried forward as under:

As per section 70 read with section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term capital gains as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act read with section 74, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

### **Tax benefits available to the unit holders of the Brookfield India REIT**

#### **Special benefits available to all the unit holders of the Brookfield India REIT**

Business trusts have been conferred special benefits on account of tax pass-through status for income tax purposes, subject to the fulfilment of conditions prescribed in the Act and SEBI Regulations. As per the provisions of section 10(23FD), any income referred to in section 115UA(1) of the Act and distributed by the Brookfield India REIT shall not be included in the total income of the unitholders except for the following income:

- a) Rent income referred to in section 10(23FCA);
- b) Interest referred to in section 10(23FC);
- c) Specified dividend i.e. dividend income received in cases where SPV has exercised the option under section 115BAA of the Act:

SPVs have the option, subject to certain conditions, to choose a concessional tax rate of 22 percent (plus 10% surcharge and 4% health and education cess) under section 115BAA of the Act. In case, SPV has exercised the option under section 115BAA of the Act, any dividend distributed by Brookfield India REIT out of the dividend paid by such SPV shall be taxable in the hands of unitholder.

In other cases, the dividend distributed by Brookfield India REIT out of the dividend paid by SPV which has not exercised the option under section 115BAA of the Act, shall be exempt in the hands of unitholders under section 10(23FD) of the Act.

Additionally, in view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning the above exempt income shall not be tax deductible. In case the tax authorities are not satisfied by the disallowance considered under section 14A of the Act, the quantum of disallowance shall be computed in accordance with the provisions of section 14A of Act read with Rule 8D of the Rules.

Further, as per section 57 of the Act, no deduction shall be allowable against the taxable dividend income other than deduction on account of interest expenses and such interest expense shall not exceed 20% of the dividend income included in the total income for that year, without deduction under section 57 of the Act.

Brookfield India REIT being a business trust will not be required to withhold tax under section 194LBA of the Act on any distributions which are in the nature of dividend income received from the SPV, so long as such SPV has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the Act.



Further, with effect from 1 April 2023, any "specified sum" received by the unitholder from Brookfield India REIT should be taxable as 'income from other sources' under section 56(2)(xii) of the Act as introduced by the Finance Act, 2023. For the purposes of section 56(2)(xii) of the Act, the term "specified sum" shall be computed as under: Specified sum = A – B – C (which shall be deemed to be zero if sum of B and C is greater than A), where, A = aggregate of sum distributed by the business trust with respect to such unit, during the previous year or during any earlier previous year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is,—

(a) not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and

(b) not chargeable to tax under sub-section (2) of section 115UA;

B = Amount at which unit was issued by the trust; and

C = Amount previously charged to tax under section 56(2)(xii) in any earlier year.

As per the provisions of section 115UA(1) [except in respect of any sum referred to in section 56(2)(xii)] of the Act, the income distributed by Brookfield India REIT shall be deemed to be of the same nature and in the same proportion in the hands of the unitholder as if such income was received by or accrued to Brookfield India REIT, and is taxed in the unit holders' hands based on their residential status as follows:

• **For a non-resident unit holder**

- a) 5% (plus applicable surcharge and cess), to the extent that the distribution takes the character of interest income;
- b) At tax rate applicable to the non-resident under the Act, depending on its constitution, to the extent that the distribution takes the character of rental income;
- c) 20% (plus applicable surcharge and cess), to the extent distribution takes the character of dividend income where such dividend is received from SPV which has exercised the option under section 115BAA of the Act;
- d) At tax rate applicable to the non-resident under the Act, depending on its constitution, to the extent the distribution is in the nature of 'specified sum' as per section 56(2)(xii); and
- e) Any other income taxable in the hands of Brookfield India REIT is exempt in the hands of unitholders

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.

• **For a resident unitholder**

- a) Tax rate applicable to a resident, to the extent that the distribution takes the character of interest, rental income or specified dividend (i.e. dividend distributed by Brookfield India REIT where such dividend is received from SPV which has exercised the option under section 115BAA of the Act);
- b) At tax rate applicable to a resident under the Act, to the extent the distribution is in the nature of 'specified sum' as per section 56(2)(xii); and
- c) Any other income taxable in the hands of Brookfield India REIT is exempt in the hands of unitholders.

**General tax benefit available to all the unit holders of Brookfield India REIT**

• **For resident unit holder**

Long-Term Capital Gains (exceeding one lakh rupees) arising on transfer of units of Brookfield India REIT through a recognized stock exchange, on which STT is paid, shall be chargeable to tax in the hands of the unit holders at a rate of 10.00% without indexation benefit (plus applicable surcharge and cess) under section 112A of the Act if the said units are long-term capital assets. In case of a Unitholder being an individual or HUF, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (2) of section 112A of the

Act. The determinative period of holding for such units to qualify as long-term capital asset is more than 36 months. Income arising on transfer of units of Brookfield India REIT that are long-term capital assets, which is not through a recognized stock exchange and not subject to STT, shall be chargeable to tax at 20.00%, with indexation benefit (plus applicable surcharge and cess) under section 112 of the Act.

Short-term capital gains arising on transfer of the units of Brookfield India REIT will be chargeable to tax at the rate of 15.00% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act provided such transaction is subject to STT and through a recognized stock exchange. In case of a Unitholder being an individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act. Short-term capital gains on transfer of units of Brookfield India REIT, not transacted through a recognized stock exchange and not subject to STT shall be taxable at the applicable rate of tax for respective unit holders.

In case of determining the period of holding for units allotted pursuant to exchange of shares of special purpose vehicle, as per clause (hc) of explanation 1 to section 2(42A), the period of holding for the units shall include the period for which the shares were held by the promoter in the SPV.

For calculating capital gains, cost of acquisition of units to stand reduced to the extent of any sum received by a unitholder from a business trust with respect to such unit which is not in the nature of:

- interest or dividend from SPV covered by section 10(23FC) of the Act
- rental income covered under section 10(23FCA) of the Act
- sum not chargeable to tax for the unit holders under newly introduced section 56(2)(xii) of the Act;
- sum not chargeable to tax for the business trust under section 115UA(2) of the Act.

It is also clarified that where transaction of transfer of unit is not considered as a transfer under section 47 and cost of acquisition is determined under section 49, sum received with respect of such unit before such transaction and after such transaction shall be reduced from the cost of acquisition.

As per clause (iie)/(fc) to explanation 1 to section 115JB, the following shall not be considered while computing book profits for levy of Minimum Alternate Tax:

- notional gain/loss on transfer of shares of SPV in exchange of units allotted by Brookfield India REIT referred to in clause (xvii) of section 47; or
- notional gain/loss resulting from any change in carrying amount of said units; or
- gain/loss on transfer of units allotted by Brookfield India REIT referred to in clause (xvii) of section 47.

As per clause (k)/(iif) of explanation 1 to section 115JB, any gain/loss on transfer of units referred to in clause (xvii) of section 47 shall be considered while computing the book profit for levy of Minimum Alternate Tax by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through statement of profit and loss, as the case may be.

Short-Term Capital Loss computed for the given year is allowed to be set-off against Short-Term/ Long-Term Capital Gains computed for the said year under section 70 of the Act. Further, as per Section 71 of the Act, short-term capital loss for the year cannot be set-off against income under any other heads for the same year. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

Where the gains arising on the transfer of the units of Brookfield India REIT are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act. The characterization of gains/ losses, arising from sale / transfer of units, as capital gains or business income would depend on the nature of holding in the hands of the unit holder and various other factors.

- **For non-resident unit holder**

Long-Term Capital Gains (exceeding one lakh rupees) arising on transfer of units of Brookfield India REIT, shall be chargeable to tax in the hands of the unit holders at a rate of 10.00% without indexation benefit (plus applicable surcharge and cess) under section 112A of the Act if the said units are long-term capital assets and transfer is through a recognized stock exchange and subject to STT. These assets turn long-term if they are held for more than 36 months. Income arising on transfer of units of Brookfield India REIT that are long-term capital assets, which is not through a recognized stock exchange and not subject to STT, shall be chargeable to tax at 20.00%, with any applicable indexation benefit (plus applicable surcharge and cess), under section 112 of the Act.

Short-term capital gains arising on transfer of the units of Brookfield India REIT will be chargeable to tax at the rate of 15.00% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to STT. Short-term capital gains on transfer of units of Brookfield India REIT, not transacted through a recognized stock exchange and not subject to STT shall be taxable at the applicable rates for respective unit holders.

Short-Term Capital Loss computed for the given year is allowed to be set-off against Short-Term/ Long-Term Capital Gains computed for the said year under section 70 of the Act. Further, as per Section 71 of the Act, short-term capital loss for the year cannot be set-off against income under any other heads for the same year. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

For calculating capital gains, cost of acquisition of units to stand reduced to the extent of any sum received by a unitholder from a business trust with respect to such unit which is not in the nature of:

- interest or dividend from SPV covered by section 10(23FC) of the Act
- rental income covered under section 10(23FCA) of the Act
- sum not chargeable to tax for the unit holders under newly introduced section 56(2)(xii) of the Act;
- sum not chargeable to tax for the business trust under section 115UA(2) of the Act.

It is also clarified that where transaction of transfer of unit is not considered as a transfer under section 47 and cost of acquisition is determined under section 49, sum received with respect of such unit before such transaction and after such transaction shall be reduced from the cost of acquisition.

Where the gains arising on the transfer of units of Brookfield India REIT are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.

As per explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

**For unit holders who are Foreign Portfolio Investors ('FPIs')/ Foreign Institutional Investors ('FIIs')**

As per section 2(14) of the Act, any securities held by a Foreign Institutional Investor being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be regarded as capital asset.

Long-Term Capital Gains (exceeding one lakh rupees) arising on transfer of units of Brookfield India REIT, shall be chargeable to tax in the hands of the unit holders at a rate of 10.00% without indexation benefit (plus applicable surcharge and cess) if the said units are long-term capital assets and transfer is through a recognized stock exchange and subject to STT. These assets turn long-term if they are held for more than 36 months.

Short-term capital gains arising on transfer of the units of Brookfield India REIT will be chargeable to tax at the rate of 15.00% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to STT.

Short-term capital loss computed for the given year is allowed to be set-off against short-term/ long-term capital gains computed for the said year under section 70 of the Act. Further, as per Section 71 of the Act, short-term capital loss for the year cannot be set-off against income under any other heads for the same year. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

For calculating capital gains, cost of acquisition of units to stand reduced to the extent of any sum received by a unitholder from a business trust with respect to such unit which is not in the nature of:

- interest or dividend from SPV covered by section 10(23FC) of the Act
- rental income covered under section 10(23FCA) of the Act
- sum not chargeable to tax for the unit holders under newly introduced section 56(2)(xii) of the Act;
- sum not chargeable to tax for the business trust under section 115UA(2) of the ITA

It is also clarified that where transaction of transfer of unit is not considered as a transfer under section 47 and cost of acquisition is determined under section 49, sum received with respect of such unit before such transaction and after such transaction shall be reduced from the cost of acquisition.

As per section 196D, no tax is to be deducted from any income, by way of capital gains to Foreign Institutional Investor arising from the transfer of units. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the tax treaty between India and the country in which the FII is a tax resident. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the FII. As per section 196D of the Act, as amended by the Finance Act, 2021, tax shall be withheld at lower of 20% (plus applicable surcharge and cess) or the rates provided in the tax treaty in respect of income from prescribed securities as mentioned in Section 196D(1), subject to the following conditions:

- Tax treaty exists between India and the respective jurisdiction of the FPI; and
- FPI has furnished a Tax Residency Certificate to the payer.

Pursuant to Central Board of Direct Tax press release dated 24 September 2015, the Government has clarified the inapplicability of Minimum Alternate Tax provisions to FIIs/FPIs.

**For unit holders who are mutual funds:**

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorized by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

**For Venture Capital Companies/ Funds:**

**For VCF/VCC registered post 21 May 2012**

VCF/VCC registered post 21 May 2012 shall be classified as a Category 1 Alternate Investment Fund which shall be governed by the SEBI (AIF) Regulations 2012. For such funds benefit of section 10(23FB) and section 115U shall not be applicable and shall be governed section 115UB read with section 10(23FBA) and 10(23FBB) which states that business income earned by such fund shall be taxable in the hands of the Fund and exempt

in the hands of the unit holders, and other income earned viz. capital gains, income from other sources shall be exempt in the hands of the fund and taxable in the hands of unit holder.

**For all unitholder:**

**Dividend stripping**

Where any person buys or acquires any securities or units within a period of 3 (three) months prior to the record date (i.e., the date that may be fixed by a company for the purposes of entitlement of the holder of the securities to receive dividend or by a mutual fund or the administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive income) and such person sells or transfers (i) such securities within a period of 3 (three) months after such record date, or (ii) such unit within a period of 9 (nine) months after such record date, and (iii) the dividend or income on such securities or unit received or receivable by such person is exempt, then, any loss arising to such person on account of such purchase and sale of securities or unit, to the extent such loss does not exceed the amount of such dividend or income received or receivable, would be ignored for the purposes of computing his income chargeable to tax.

**Bonus stripping**

Where any person buys or acquires any securities or units within a period of 3 (three) months prior to the record date (i.e., the date that may be fixed by a Mutual Fund or the administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of 9 (nine) months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

**II. TAX DEDUCTION AT SOURCE**

**On Income Distributions made by Brookfield India REIT to the unit holders**

**Section 194LBA – Certain income from units of Brookfield India REIT**

Where any distributed income referred in section 115UA, is in the nature referred to in

- a) clause (23FCA) of section 10 i.e. rent income payable by Brookfield India REIT to its unit holder, being a resident; or
- b) sub clause (a) of clause (23FC) of section 10 i.e. interest payable by Brookfield India REIT to its unit holder, being a resident; or
- c) dividend payable by Brookfield India REIT to its unit holder being a resident where such dividend is received from SPV which has exercised the option under section 115BAA of the Act,

the Brookfield India REIT shall at the time of credit of such payment to the account of the payee or at the time of payment, whichever is earlier, deduct tax at the rate of 10.00%.

In case payment referred to above is made to a non-resident unit holder, then the same shall be subjected to the tax deduction at the

- a) rates in force in case of rent income referred to in clause (23FCA) of section 10;
- b) rate of 5.00% (plus applicable surcharge and cess) in case of interest referred to in clause (a) of sub clause (23FC) of section 10; and
- c) rate of 10.00% (plus applicable surcharge and cess) in case of dividend payable by Brookfield India REIT where such dividend is received from SPV which has exercised the option under section 115BAA of the Act.

Additionally, in respect of rent income, in view of section 90(2) of the Act, a non-resident will be governed by the provisions of the DTAA between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.

Any distribution made by Brookfield India REIT to the following unitholders should not be subject to any withholding tax:

- a) Category I and Category II Alternative Investment Funds (for payments of the nature specified in section 10(23FBA) of the Act as per Notification No 51 / 2015 issued by Central Board of Direct Taxes); and
- b) Mutual funds referred to in section 10(23D) of the Act.

Further, as per the Finance Act 2023, unitholders can make an application to the Income-tax authorities requesting for lower or NIL withholding rate certificate under section 197 of the Act.

### **Section 206AA of the Act – Withholding at a higher rate where PAN details are not furnished**

As per Section 206AA of the Act, where a taxpayer does not possess a Permanent Account Number ('PAN'), taxes have to be withheld on payment of income to the taxpayer (where chargeable to tax) at higher of the following:

- at the rate specified in the Act; or
- at the rate or rates in force; or
- at the rate of 20%

Further, CBDT has issued a notification<sup>1</sup> for relaxation from deduction of tax at a higher rate under Section 206AA of the Act in the case of non-resident investor or a foreign company and not having PAN by virtue of rule 37BC. The provisions of Section 206AA of the Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services, dividend and payments on transfer of any capital asset, if the deductee furnishes certain details and specified documents<sup>2</sup> to the deductor.

### **Section 206AB of the Act - Withholding at a higher rate on non-filers of income-tax return**

The Finance Act, 2021 has introduced a new provision - section 206AB in the Act for deducting tax at higher rates on payments made to non-filers of income-tax returns. Section 206AB of the Act applies where any sum or income or amount is paid, or payable or credited, by a person to a specified person and tax is required to be deducted at source as per provisions of the Act (except under sections 192, 192A, 194B, 194BB, 194LBC, 194N , 194-IA, 194-IB and 194M of the Act).

Specified person means a person who has not filed the return of income for the immediately preceding one year and the aggregate of taxes deducted and collected at source is INR 50,000 or more in such preceding one year. Further, specified person shall not include a non-resident who does not have a permanent establishment in India or a person who is not required to furnish the return of income and is notified by the Central Government in the Official Gazette in this behalf.

In case the aforesaid section is applicable, tax shall be deducted at higher of the followings rates:

- twice the rate specified in the relevant provision of the Act; or
- twice the rate or rates in force; or
- the rate of 5%.

If provisions of section 206AA and section 206AB of the Act are applicable to a specified person, then, tax shall be deducted at higher of the two rates provided under the respective sections of the Act.

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<sup>1</sup> Notification No. 53 /2016, F.No.370 142/16/2016-TPL dated 24 June 2016

<sup>2</sup> Name, e-mail, contact number, address, TRC and the Tax / unique identification in country of residence

### **On Income distributions made to Brookfield India REIT by SPV**

Where Brookfield India REIT receives any income in the nature of interest (other than interest on securities) from the SPV's, no taxes are required to be withheld by the payer in accordance with section 194A (3)(xi) of the Act.

Where Brookfield India REIT receives any income in the nature of interest on securities from the SPVs, no taxes are required to be withheld by the payer in accordance with section 193 of the Act.

Where Brookfield India REIT receives any income in the nature of rent (in terms of section 10(23FCA) of the Act) from assets directly held, no taxes are required to be withheld by the payer in accordance with third provision of section 194I of the Act.

As per the provision of section 194 of the Act, every Indian company shall withhold taxes at the rate of 10% while making payment of any dividend to its shareholders.

However, the Finance Act, 2021 has amended section 194 of the Act, whereby the SPVs will not be required to withhold taxes when they make payment of dividend to the Brookfield India REIT.

### **On sale of units**

No withholding tax applies in respect of capital gains arising from transfer of units by a resident or a non-resident which is a Foreign Portfolio Investor ('FPI') registered with the Securities and Exchange Board of India as mentioned in section 196D of the Act.

Withholding tax may apply on capital gains arising to a non-resident who is not an FPI. Where such non-resident is entitled to benefits, including capital gains tax exemptions, under the applicable DTAA, it will have to furnish all the relevant documents / information to demonstrate its claim of availing DTAA benefits.

## **III. MISCELLANEOUS**

### **Points to consider**

- Brookfield India REIT is compulsorily required to file Income-tax return as per section 139(4E) of the Act
- The income-tax rates specified in this note are as applicable for the financial year 2023-24, and are exclusive of surcharge and cess, if any. Rate of surcharge and cess are provided below.

### **Surcharge**

#### **Domestic companies (not opting for Section 115BAA):**

If the net income does not exceed INR 10 million – Nil  
If the net income exceeds INR 10 million but does not exceed INR 100 million – 7%  
If the net income exceeds INR 100 million – 12%

#### **Domestic companies (opting for Section 115BAA) – 10%**

#### **Co-operative society**

If the net income exceeds INR 10 million but does not exceed INR 100 million – 7%  
If the net income exceeds INR 100 million – 12%

#### **Foreign companies:**

If the net income does not exceed INR 10 million - Nil  
If the net income exceeds INR 10 million but does not exceed INR 100 million – 2%  
If the net income exceeds INR 100 million – 5%

**For individuals (residents and non-residents), AOPs and BOIs**

<b>Taxable income</b>		<b>Surcharge (%)</b>
<b>1</b>	If total income (including capital gains on specified capital asset and dividend income) is above INR 50 Lakhs & up to INR 1 Cr	<b>10</b>
<b>2</b>	If total income (including capital gains on specified capital asset and dividend income) is above INR 1 Cr. & up to INR 2 Crs.	<b>15</b>
<b>3</b>	If total income (excluding capital gains on specified capital asset and dividend income) is above INR 2 Crs. & up to INR 5 Crs.	<b>25</b>
<b>4</b>	If total income (excluding capital gains on specified capital asset and dividend income) is above INR 5 Crs.	<b>37</b>
<b>5</b>	If total income is above INR 2 Crs. (including capital gains on specified capital asset and dividend income) but is not covered under 3 and 4 above. Provided surcharge not to exceed 15 per cent in case of capital gains on specified capital asset and dividend income included in such total income	<b>15</b>

Specified capital asset mean equity shares, units of equity oriented mutual funds, units of business trust taxed under section 111A or section 112A and capital assets taxed under section 112 of the Act.

For unitholders opting to pay tax under section 115BAC of the Act, the maximum surcharge shall not exceed 25%.

For AOPs consisting only companies as its members, the maximum surcharge shall not exceed 15%.

**For FPIs (individual, AOP and BOI)\***

<b>Taxable income</b>		<b>Surcharge (%)</b>
<b>1</b>	If total income (including capital gains on all securities and dividend income) is above INR 50 Lakhs & up to INR 1 Cr	<b>10</b>
<b>2</b>	If total income (including capital gains on all securities and dividend income) is above INR 1 Cr. & up to INR 2 Crs.	<b>15</b>
<b>3</b>	If total income (excluding capital gains on all securities and dividend income) is above INR 2 Crs. & up to INR 5 Crs.	<b>25</b>
<b>4</b>	If total income (excluding capital gains on all securities and dividend income) is above INR 5 Crs.	<b>37</b>
<b>5</b>	If total income is above INR 2 Crs. (including capital gains on all securities and dividend income) but is not covered under 3 and 4 above. Provided surcharge not to exceed 15 per cent in case of capital gains on all securities and dividend income included in such total income.	<b>15</b>

\*Note: If FPI is registered as a firm, then surcharge shall be 12% for income exceeding INR 1 Crs. Further in case of a non-resident AOP consisting of only companies as its members, the surcharge rate is capped at 15%.

**Health and Education Cess**

In all cases, health and education cess to be levied at the rate of 4% of income tax and surcharge.

**Notes**

- The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares and units.
- The stated benefits will be available only to the sole/ first named holder in case the units are held by joint holders.



- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this annexure.
- This statement of possible direct tax benefits enumerated above is as per the Act as amended by the Finance Act, 2023. The above statement of possible Direct-tax Benefits sets out the possible tax benefits available to Brookfield India REIT and its unit holders under the current tax laws presently in force in India. Several of these benefits available are dependent on the Brookfield India REIT or its unit holders fulfilling the conditions prescribed under the relevant tax laws.
- The information provided above sets out the possible tax benefits available to the unit holders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares and units, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares and units particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation impacting the benefits, which an investor can avail.

For and on behalf of the Issue Committee of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 24 July 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Gurugram  
Date: 24 July 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Gurugram  
Date: 24 July 2023

## **CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a discussion of certain material U.S. federal income tax consequences to a U.S. holder (as defined below) of the purchase, ownership and disposition of Units acquired pursuant to this Issue. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Units.

### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF UNITS IN YOUR PARTICULAR SITUATION.**

The discussion applies to you only if you acquire the Units in this Issue and you hold the Units as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or non-U.S. currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a controlled foreign corporation;
- a passive foreign investment company;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually, indirectly or constructively owns 10% or more of (i) the total combined voting power of all classes of our voting stock or (ii) the total value of all classes of our stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Units as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company ("PFIC") rules, referred to below, require the issuance of regulations which in many instances have not been

promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service (“**IRS**”) or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Units or that any such position would not be sustained.

You are a “**U.S. holder**” if you are a beneficial owner of Units that acquired the Units pursuant to this Issue and you are for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Units, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Units that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Units.

Brookfield REIT is treated as a corporation for U.S. federal income tax purpose and the Units will be treated as stock of Brookfield REIT for U.S. federal income tax purposes.

### ***Taxation of Dividends***

Subject to the PFIC rules described below under “PFIC Considerations”, if you are a U.S. holder you generally must include in your gross income as a dividend the gross amount of any distributions of cash (including any amounts deducted in respect of withholding taxes) or property (other than certain pro rata distributions of Units) with respect to Units, to the extent the distribution is paid by Brookfield REIT out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Units and thereafter as capital gain from the sale or exchange of such Units. Notwithstanding the foregoing, Brookfield REIT does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes and treated as dividend income for U.S. federal income tax purposes.

Subject to the PFIC rules described below under “PFIC Considerations”, dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the “ex-dividend date.” If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules. The amount of any dividend paid in Rupees will be the U.S. Dollar value of the Rupee calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. Dollars on such date.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be “passive category income”, which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. holder’s particular circumstances. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Units.

### ***Taxation of Sale, Exchange or Other Taxable Disposition of Units***

Subject to the PFIC rules discussed below under “PFIC Considerations”, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Units in a taxable disposition, you generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Units. Gain or loss recognised on such a sale, exchange or other disposition of Units generally will be long-term capital gain if the U.S. holder has held the Units for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates (currently at a maximum rate of 20%). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

### ***Medicare Tax***

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder’s “net investment income”, which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Units, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Units.

### ***PFIC Considerations***

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75% of its gross income is “passive income” or (ii) at least 50% of its gross assets during the taxable year (generally based on the average of the fair market values of the assets at the end of each quarterly period) are “passive assets,” which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Passive income does not include rents derived in the active conduct of a trade or business and received from a person that is not related to the non-U.S. corporation (“**Active Rent Exception**”). The Active Rent Exception generally requires the non-U.S. corporation to regularly perform active and substantial management and operational functions with respect to the leased property through its own officers or staff of employees. For this purpose, activities performed by the officers and staff of employees of a corporation in which the non-U.S. corporation owns, directly or indirectly, a more than 50% interest (by value) is taken into account. The Brookfield REIT expects to meet the Active Rent Exception.

Accordingly, based on the current and projected composition of our income and assets, and the valuation of our assets, we do not expect to become a PFIC in the current taxable year or the foreseeable future. However, no assurance can be given that Brookfield REIT will not be considered a PFIC for the preceding, current or any future taxable year. Brookfield REIT’s possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. Because PFIC status is based on the gross income and assets for each taxable year and is dependent upon the Brookfield REIT meeting the Active Rent Exception and a number of other factors, some of which are beyond Brookfield REIT’s control, including the amount and nature of Brookfield REIT’s income, as well as on the market valuation of Brookfield REIT’s assets and Units, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that Brookfield REIT is not a PFIC and will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status. If Brookfield REIT was currently or were to become a PFIC, U.S. holders of Units would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

A U.S. holder that holds stock in a non-U.S. corporation during any taxable year in which the corporation is treated as a PFIC is subject to special tax rules with respect to (a) any gain realized on the sale, exchange or other disposition of the stock and (b) any “excess distribution” by the corporation to the holder, unless the holder elects to treat the PFIC as a “qualified electing fund” (“**QEF**”) or makes a “mark-to-market” election, each as discussed below. An “excess distribution” is that portion of a distribution with respect to PFIC stock that exceeds 125% of the average of such distributions over the preceding three-year period or, if shorter, the U.S. holder’s holding period for its shares. Excess distributions and gains on the sale, exchange or other disposition of stock of a corporation which was a PFIC at any time during the U.S. holder’s holding period are allocated rateably to each day of the U.S. holder’s holding period. Amounts allocated to the taxable year in which the disposition occurs and amounts allocated to any period in the shareholder’s holding period before the first day of the first taxable year that the corporation was a PFIC will be taxed as ordinary income (rather than capital gain) earned in the taxable year of the disposition. Amounts allocated to each of the other taxable years in the U.S. holder’s holding period are not included in gross income for the year of the disposition, but are subject to a tax (equal to the highest individual or corporate income tax rates, as applicable, in effect for those years, and increased by an interest charge at the rate applicable to income tax deficiencies) that is added to the tax otherwise due for the taxable year in which the disposition occurs. The tax liability for amounts allocated to years before the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Units cannot be treated as capital, even if a U.S. holder held such Units as capital assets. The preferential U.S. federal income tax rates for dividends and long-term capital gain of individual U.S. holders (as well as certain trusts and estates) would not apply, and special rates would apply for calculating the amount of the foreign tax credit with respect to excess distributions.

If a corporation is a PFIC for any taxable year during which a U.S. holder holds shares in the corporation, then the corporation generally will continue to be treated as a PFIC with respect to the holder’s shares, even if the corporation no longer satisfies either the passive income or passive asset tests described above, unless the U.S. holder terminates this deemed PFIC status by electing to recognise gain, which will be taxed under the excess distribution rules as if such shares had been sold on the last day of the last taxable year for which the corporation was a PFIC.

The excess distribution rules may be avoided if a U.S. holder makes a QEF election effective beginning with the first taxable year in the holder’s holding period in which the corporation is a PFIC. A U.S. holder that makes a QEF election is required to include in income its pro rata share of the PFIC’s ordinary earnings and net capital gain as ordinary income and long-term capital gain, respectively, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. A U.S. holder whose QEF election is effective after the first taxable year during the holder’s holding period in which the corporation is a PFIC will continue to be subject to the excess distribution rules for years beginning with such first taxable year for which the QEF election is effective.

In general, a U.S. holder makes a QEF election by attaching a completed IRS Form 8621 to a timely filed (taking into account any extensions) U.S. federal income tax return for the year beginning with which the QEF election is to be effective. In certain circumstances, a U.S. holder may be able to make a retroactive QEF election. A QEF election can be revoked only with the consent of the IRS. In order for a U.S. holder to make a valid QEF election, the corporation must annually provide or make available to the holder certain information. The Brookfield REIT does not intend to provide to U.S. holders the information required to make a valid QEF election and the Brookfield REIT currently makes no undertaking to provide such information. Accordingly, it is currently anticipated that a U.S. holder will not be able to avoid the special tax rules described above by making the QEF election.

As an alternative to making a QEF election, a U.S. holder may make a “mark-to-market” election with respect to its PFIC shares if the shares meet certain minimum trading requirements. If a U.S. holder makes a valid mark-to-market election for the first tax year in which such holder holds (or is deemed to hold) stock in a corporation and for which such corporation is determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above in respect of its stock. Instead, a U.S. holder that makes a mark-to-market election will be required to include in income each year an amount equal to the excess, if any, of the fair market value of the shares that the holder owns as of the close of the taxable year over the holder’s adjusted tax basis in the shares. The U.S. holder will be entitled to a deduction for the excess, if any, of the holder’s adjusted tax basis in the shares over the fair market value of the shares as of the close of the taxable year; provided, however, that the deduction will be limited to the extent of any net mark-to-market gains with respect to the shares included by the U.S. holder under the election for prior taxable years. The U.S. holder’s basis in the shares will be adjusted to reflect the amounts included or deducted pursuant to the election. Amounts included in income pursuant to a mark-to-market election, as well as gain on the sale, exchange or other taxable disposition of the shares, will be treated as ordinary income. The deductible portion of any mark-to-market loss, as well as loss on a sale, exchange or other disposition of shares to the extent that the amount of such loss does not exceed net mark-to-market gains previously included in income,

will be treated as ordinary loss.

The mark-to-market election applies to the taxable year for which the election is made and all subsequent taxable years, unless the shares cease to meet applicable trading requirements (described below) or the IRS consents to its revocation. The excess distribution rules generally do not apply to a U.S. holder for tax years for which a mark-to-market election is in effect.

A mark-to-market election is available only if the shares are considered “marketable” for these purposes. Shares will be marketable if they are regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission or on a non-U.S. exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. For these purposes, shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. If the Brookfield REIT were a PFIC for any taxable year and any of its subsidiaries were also a PFIC, a U.S. holder generally would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of the PFIC rules. A U.S. holder would not be able to make a mark-to-market election with respect to shares of any lower-tier PFIC. Therefore even if a mark-to-market election is made with respect to the Brookfield REIT, a U.S. holder would remain subject to the PFIC rules discussed above with respect to its proportionate amount of the shares of the lower-tier PFICs. Each U.S. holder should ask its own tax advisor whether a mark-to-market election is available or desirable.

A U.S. holder of PFIC stock must generally file an IRS Form 8621 annually. A U.S. holder must also provide such other information as may be required by the U.S. Treasury Department if the U.S. holder (i) receives certain direct or indirect distributions from a PFIC, (ii) recognizes gain on a direct or indirect disposition of PFIC stock, or (iii) makes certain elections (including a QEF election or a mark-to-market election) reportable on IRS Form 8621.

***U.S. holders are urged to consult their tax advisors as to the Brookfield REIT's status as a PFIC, and, if the Brookfield REIT is treated as a PFIC, as to the effect on them of, and the reporting requirements with respect to, the PFIC rules and the desirability of making, and the availability of, either a QEF election or a mark-to-market election with respect to our Units. The Brookfield REIT provides no advice on taxation matters.***

#### ***Information with Respect to Foreign Financial Assets***

In addition, certain U.S. holders may be subject to certain reporting obligations with respect to Units if the aggregate value of these and certain other “specified foreign financial assets” exceeds \$50,000. If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation for online filing of a FinCEN Report 114—Foreign Bank and Financial Accounts Report as a result of holding Units. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Units.

#### ***Information Reporting and Backup Withholding***

In general, information reporting requirements will apply to distributions made on our Units within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Units by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Placement, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular

tax considerations applicable to them relating to the purchase, ownership and disposition of the Units, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, non-U.S. tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

## **LEGAL MATTERS**

Certain legal matters in connection with the Issue will be passed upon for us by Shardul Amarchand Mangaldas & Co, with respect to matters of Indian law and by Sidley Austin LLP with respect to matters of U.S. federal securities laws.

Certain legal matters in connection with the Issue will be passed upon for the Lead Managers by Cyril Amarchand Mangaldas with respect to matters of Indian law and by White & Case Pte. Ltd. with respect to matters of U.S. federal securities laws.

Each of Shardul Amarchand Mangaldas & Co, Sidley Austin LLP, Cyril Amarchand Mangaldas and White & Case Pte. Ltd. does not make, or purport to make, any statement in this document and is not aware of any statement in this document which purports to be based on a statement made by it and each of them makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this document.



## SECTION VIII – OTHER INFORMATION

### GENERAL INFORMATION

#### The Brookfield REIT

- The Brookfield REIT was settled as a contributory, determinate and irrevocable trust on July 17, 2020 at Mumbai, India under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated July 17, 2020. The Brookfield REIT was registered with SEBI on September 14, 2020 at Mumbai as a ‘real estate investment trust’ pursuant to the REIT Regulations having registration number IN/REIT/20-21/0004. The Brookfield REIT has been settled by our Manager (solely as the settlor, on behalf of our Sponsor) for the Initial Contribution. The principal place of business of the Brookfield REIT is situated at Candor TechSpace IT/ ITES SEZ, Building 5A/10, Sector-48, Tikri (Near Subash Chowk), Gurugram 122 018, Haryana, India.
- For information on the background of the Brookfield REIT and the description of the Portfolio see “*Background of the Brookfield REIT*”, “*Our Business and Properties*” and “*Our Portfolio Companies and Target SPVs*” beginning on pages 78, 148 and 200, respectively.

- ***Compliance Officer of the Brookfield REIT***

The compliance officer of the Brookfield REIT is Saurabh Jain. His contact details are as set forth:

Candor TechSpace IT/ ITES SEZ  
Building 5A (Tower 10)  
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Haryana, India  
**Tel:** +91 124 3821 400  
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**E-mail:** saurabh.jain@brookfieldproperties.com  
**Website:** brookfieldindiareit.in

- The Units of the Brookfield REIT were listed on the Stock Exchanges on February 16, 2021.
- The Issue has been authorized by the board of directors of the Manager pursuant to a resolution dated May 18, 2023. The Issue has been approved by the Unitholders pursuant to a resolution dated June 12, 2023 under Regulation 22(6) of the REIT Regulations.
- The Manager (on behalf of the Brookfield REIT) has received in-principle approvals dated July 27, 2023 each from BSE and NSE to list the Units to be issued pursuant to the Issue, in accordance with paragraph 10.2.3 of the SEBI Institutional Placement Guidelines. We will apply to the Stock Exchanges for listing and trading approvals after the date of Allotment. The Units Allotted pursuant to the Issue are required to be listed within two days from the date of Allotment under the SEBI Institutional Placement Guidelines.
- The Brookfield REIT is in compliance with the conditions for continuous listing and disclosure obligations under the REIT Regulations and circulars issued thereunder.
- The Financial Statements of the Brookfield REIT included in this Preliminary Placement Document have been audited by Deloitte Haskins & Sells, Chartered Accountants, the current auditor of the Brookfield REIT.

For details of the financial information included in this Preliminary Placement Document, see “*Presentation of Financial Data and Other Information*”, “*Summary Financial Information*”, “*Financial Information of the Brookfield REIT*”, “*Financial Information of the target SPVs*” and “*Unaudited Condensed Combined Pro forma Financial Information*” beginning on pages 20, 247, B-1, C-1 and A-1, respectively.

- The Floor Price for the Issue calculated on the basis of paragraph 10.9 of the SEBI Institutional Placement Guidelines is ₹265.79 per Unit. The Manager (on behalf of the Brookfield REIT) may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI Institutional Placement Guidelines.

- The Brookfield REIT, the Manager, the Trustee and the Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his, her or its own risk.

**The Sponsor – BSREP India Office Holdings V Pte. Ltd.**

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**Tel:** +65 6750 4484  
**Fax:** N.A.  
**E-mail:** [reit.sponsor@brookfield.com](mailto:reit.sponsor@brookfield.com)

***Contact person of the Sponsor***

Liew Yee Foong is the contact person of our Sponsor. His contact details are set forth:

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Income at Raffles  
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**Tel:** +65 6750 4484  
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**The Manager – Brookprop Management Services Private Limited**

***Registered office address and correspondence address***

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**Tel:** +91 22 6600 0700  
**Fax:** +91 22 6600 0777  
**E-mail:** [reit.manager@brookfield.com](mailto:reit.manager@brookfield.com)  
**Contact Person:** Saurabh Jain

**The Trustee**

***Registered office address***

Axis House  
Bombay Dyeing Mills Compound  
Pandurang Budhkar Marg, Worli  
Mumbai 400 025  
Maharashtra, India  
Tel: 022-62300451  
Fax: +91 22 6230 0700  
E-mail: [debenturetrustee@axistrustee.in](mailto:debenturetrustee@axistrustee.in)  
Website: [www.axistrustee.com](http://www.axistrustee.com)  
Contact Person: Anil Grover

***Address for correspondence***

Axis Trustee Services Limited  
The Ruby 2nd Floor, SW  
29 Senapati Bapat Marg, Dadar (West)  
Mumbai 400 028  
Maharashtra, India

**The Property Manager – Brookprop Property Management Services Private Limited**

Candor Techspace, IT/ITES SEZ,  
Tower 5A, Tikri,  
Sector 48, Gurugram  
**Tel:** +91 124 3821400  
**E-mail:** [bpindia.legal@brookfield.com](mailto:bpindia.legal@brookfield.com)  
**Contact Person:** Nitesh Bhasin

**Lead Managers to the Issue**

<p><b>BofA Securities India Limited</b> Ground Floor, “A” Wing, One BKC, “G” Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India</p>	<p><b>Morgan Stanley India Company Private Limited</b> 18<sup>th</sup> Floor, Tower 2 One World Center, Plot 841 Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharashtra, India</p>
<p><b>Kotak Mahindra Capital Company Limited</b> 1st Floor, 27 BKC, Plot No. C – 27 ‘G’ Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India</p>	<p><b>Citigroup Global Markets India Private Limited</b> 1202, 12<sup>th</sup> Floor, First International Financial Centre G-Block, C54 &amp; 55, Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India</p>
<p><b>Axis Capital Limited</b> 1<sup>st</sup> Floor, Axis House C-2 Wadia International Centre P. B. Marg, Worli Mumbai 400 025 Maharashtra, India</p>	<p><b>Jefferies India Private Limited</b> 16<sup>th</sup> Floor, Express Towers, Nariman Point, Mumbai – 400 021 Maharashtra, India</p>
<p><b>JM Financial Limited</b> 7th Floor, Cynergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India</p>	<p><b>SBI Capital Markets Limited</b> 1501, 15th floor, A &amp; B Wing Parinee Crescenzo Building G Block, Bandra Kurla Complex Mumbai – 400 051, Maharashtra India</p>
<p><b>IIFL Securities Limited</b> 10<sup>th</sup> Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013 Maharashtra, India</p>	<p><b>BOB Capital Markets Limited</b> 1704, B Wing, 17th Floor, Parinee Crescenzo, Plot No. C – 38/39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, Maharashtra, India</p>
<p><b>ICICI Securities Limited</b> ICICI Venture House Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India</p>	

**Indian Legal Counsel to the Brookfield REIT and the Manager**

**Shardul Amarchand Mangaldas & Co**  
24<sup>th</sup> Floor, Express Towers  
Nariman Point  
Mumbai 400 021  
Maharashtra, India

**International Legal Counsel to the Brookfield REIT**

**Sidley Austin LLP**  
Level 31  
Six Battery Road  
Singapore 049 909

Tel: +65 6230 3900

**Legal Advisors as to Indian law to the Lead Managers**

**Cyril Amarchand Mangaldas**

3<sup>rd</sup> Floor, Prestige Falcon Towers  
19, Brunton Road, Off M. G. Road  
Bengaluru 560 025  
Karnataka, India

**International Legal Counsel to the Lead Managers**

**White & Case Pte. Ltd.**

88 Market Street  
#41-01, CapitaSpring  
Singapore 048948  
Tel: +65 6225 6000

**DECLARATION**

Our Manager declares and certifies that all relevant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines. Our Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are true, fair and adequate in order to enable the investors to make a well-informed decision as to their investment in the Issue.

**FOR BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED**

---

**Anuj Ranjan**  
*Non-executive director*

**Date:** July 27, 2023  
**Place:** London

**DECLARATION**

Our Manager declares and certifies that all relevant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines. Our Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are true, fair and adequate in order to enable the investors to make a well-informed decision as to their investment in the Issue.

**FOR BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED**

---

**Ankur Gupta**  
*Non-executive director*

**Date:** July 27, 2023  
**Place:** Jaipur

**DECLARATION**

Our Manager declares and certifies that all relevant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines. Our Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are true, fair and adequate in order to enable the investors to make a well-informed decision as to their investment in the Issue.

**FOR BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED**

---

***Thomas Jan Sucharda***  
*Non-executive director*

**Date:** July 27, 2023  
**Place:** Toronto

**DECLARATION**

Our Manager declares and certifies that all relevant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines. Our Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are true, fair and adequate in order to enable the investors to make a well-informed decision as to their investment in the Issue.

**FOR BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED**

---

***Akila Krishnakumar***  
*Independent director*

Date: July 27, 2023  
Place: Bangalore



**DECLARATION**

Our Manager declares and certifies that all relevant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines. Our Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are true, fair and adequate in order to enable the investors to make a well-informed decision as to their investment in the Issue.

**FOR BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED**

---

***Shailesh Vishnubhai Haribhakti***  
*Independent director*

**Date:** July 27, 2023

**Place:** Mumbai

**DECLARATION**

Our Manager declares and certifies that all relevant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines. Our Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are true, fair and adequate in order to enable the investors to make a well-informed decision as to their investment in the Issue.

**FOR BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED**

---

***Rajnish Kumar***  
*Independent director*

**Date:** July 27, 2023

**Place:** Gurgaon

**DECLARATION**

Our Trustee (on behalf of the Brookfield REIT) declares and certifies that all relevant provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of the REIT Regulations and the SEBI Institutional Placement Guidelines (as the case may be). The Trustee (on behalf of the Brookfield REIT) further certifies that all the statements and disclosures in this Preliminary Placement Document are true, fair and adequate in order to enable the investors to make a well informed decision as to their investment in the Issue.

**For Axis Trustee Services Limited (on behalf of the Brookfield REIT)**

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Hardik H Shah

**Date:** July 27, 2023

**Place:** Mumbai

**SECTION IX: ANNEXURES**

**ANNEXURE A**

**UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL INFORMATION**

## **INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL INFORMATION**

The Board of Directors and Issue Committee of the Board of Directors, Brookprop Management Services Private Limited (the "Manager") in its capacity as the Manager of Brookfield India Real Estate Trust ("Brookfield India REIT")

1. We have completed our assurance engagement to report on the compilation of Unaudited Condensed Combined Pro Forma Financial Information of Brookfield India REIT and its subsidiaries (together referred to as "Trust Group") and Candor Gurgaon One Realty Projects Private Limited ("Candor Gurgaon 1") (Trust Group with Candor Gurgaon 1), Trust Group and Kairos Property Managers Private Limited ("Kairos") (Trust Group with Kairos) and Trust Group and Candor Gurgaon 1 and Kairos (the Trust Group with Candor Gurgaon 1 and Kairos) prepared by the Manager. The Unaudited Condensed Combined Pro Forma Financial Information consists of Unaudited Condensed Combined Pro Forma Balance Sheet as at 31 March 2023, Unaudited Condensed Combined Pro Forma Statement of Profit and Loss (including other comprehensive income) for the year ended 31 March 2023 and selected explanatory notes (collectively, "Unaudited Condensed Combined Pro Forma Financial Information"), which have been prepared by the Manager to be included on voluntary basis in the preliminary placement document ("PPD") and placement document ("PD") (collectively, the "Placement Documents") in connection with the proposed Institutional Placement of its units by Brookfield India REIT ("Issue"). The applicable criteria on the basis of which the Manager has compiled the Unaudited Condensed Combined Pro Forma Financial Information is described in Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information. Because of its nature, the Unaudited Condensed Combined Pro Forma Financial Information does not represent the actual financial performance of Trust Group with Candor Gurgaon 1, Trust Group with Kairos, and the Trust Group with Candor Gurgaon 1 and Kairos.
2. The Unaudited Condensed Combined Pro Forma Financial Information has been compiled by the Manager to illustrate the impact of the proposed acquisition by the Brookfield India REIT of Candor Gurgaon 1 and / or Kairos as set out in Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information as if the proposed acquisition by the Brookfield India REIT of Candor Gurgaon 1 and Kairos had taken place on 1 April 2022 for purposes of this illustration. As part of this process, information about the financial performance for the year ended 31 March 2023 of the Trust Group with Candor Gurgaon 1, Trust Group with Kairos, and the Trust Group with Candor Gurgaon 1 and Kairos have been compiled by the Manager from the historical (a) audited consolidated financial statements of the Trust Group as at and for the year ended 31 March 2023 ("Trust Group Consolidated Financial Statements"); (b) audited financial statements of Candor Gurgaon 1 as at and for the year ended 31 March 2023 (the "Candor Gurgaon 1 Audited Financial Statements"); and (c) audited special purpose condensed combined and carve-out financial statements of Kairos as at and for the year ended 31 March 2023 (the "Kairos Special Purpose Condensed Combined and Carve-out Financial Statements"), which have been included in the Placement Documents.
3. The Trust Group Consolidated Financial Statements referred to in paragraph 2 above, have been audited by us on which we issued an unmodified audit opinion vide our report dated 18 May 2023. Our audit of these financial statements was conducted in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Trust Group Consolidated Financial Statements are free of material misstatement.

Our aforesaid audit report includes following emphasis of matter paragraph:

"We draw attention to Note 15(a)(i) of the consolidated financial statements which describes the presentation of "Unit Capital" as "Equity" to comply with REIT Regulations.

Our opinion is not modified in respect of this matter."

4. The Kairos Special Purpose Condensed Combined and Carve-out Financial Statements referred in paragraph 2 above have been audited by other auditors whose report has been furnished to us by the Manager and our reporting on the Unaudited Condensed Combined Pro Forma Financial Information, in so far as it relates to the amounts and disclosures included in respect of the Kairos is solely based on the report of the other auditors.

The aforesaid audit report of other auditors includes following emphasis of matter paragraph:

"We draw attention to Note 2 to the Special Purpose Condensed Combined and Carve-out Financial Statements, which describes the basis of accounting. The Special Purpose Condensed Combined and Carve-out Financial Statements have been prepared by the management for inclusion in the Preliminary Placement Document ('PPD') and Placement Document ('PD') prepared in connection with the Institutional Placement ('IP') offering of units of Brookfield India REIT. As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter."

#### **Responsibilities of the Management and Those Charged with Governance for the Unaudited Condensed Combined Pro Forma Financial Information**

5. The Board of Directors (the "Board") of the Manager is responsible for compiling the Unaudited Condensed Combined Pro Forma Financial Information on the basis set out in the Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Unaudited Condensed Combined Pro Forma Financial Information on the basis as set out in Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information that is free from material misstatement, whether due to fraud or error. The Board of the Manager is also responsible for identifying and ensuring that the Manager complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Unaudited Condensed Combined Pro Forma Financial Information.

#### **Auditor's Responsibilities**

6. Our responsibility is to express an opinion, about whether the Unaudited Condensed Combined Pro Forma Financial Information has been compiled, in all material respects, by the Manager on the basis set out in the Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information.
7. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by ICAI. This Standard requires that the auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Manager has compiled, in all material respects, the Unaudited Condensed Combined Pro Forma Financial Information on the basis set out in the Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information.
8. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Condensed Combined Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Condensed Combined Pro Forma Financial Information.

9. The purpose of Unaudited Condensed Combined Pro Forma Financial Information included in the Placement Documents is solely to illustrate the impact of the above mentioned proposed acquisition by the Brookfield India REIT of Candor Gurgaon 1 and / or Kairos on the unadjusted Trust Group Consolidated Financial Statements as if the proposed acquisition by the Brookfield India REIT of Candor Gurgaon 1 and / or Kairos on historical basis had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the above-mentioned proposed acquisition at selected dates as described in Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information, would have been as presented.
10. A reasonable assurance engagement to report on whether the Unaudited Condensed Combined Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria as specified in Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information, involves performing procedures to assess whether the applicable criteria used by the Manager in the compilation of the Unaudited Condensed Combined Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the proposed acquisition by the Brookfield India REIT of Candor Gurgaon 1 and / or Kairos, and to obtain sufficient appropriate evidence about whether the related pro forma adjustments give appropriate effect to those criteria as specified in Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information and whether the Unaudited Condensed Combined Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted Trust Group Consolidated Financial Statements.
11. The procedures selected depend on the Auditor's judgment, having regard to the Auditor's understanding of the nature of the Trust Group, the event or transaction in respect of which the Unaudited Condensed Combined Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.
12. Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the Unaudited Condensed Combined Pro Forma Financial Information.
13. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
14. This report is issued for the sole purpose of the proposed Issue. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India, including in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. This report should not be relied upon by prospective investors in the United States of America, including persons who are Qualified Institutional Buyers as defined under Rule 144A under the United States Securities Act of 1933 participating in the Issue. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation.

### **Opinion**

15. In our opinion, read along with emphasis of matter mentioned in paragraphs 3 and 4 above, the Unaudited Condensed Combined Pro Forma Financial Information has been compiled, in all material respects, on the basis set out in Note 2 to the Unaudited Condensed Combined Pro Forma Financial Information.

### **Restriction of use**

16. Our report is intended solely for use of the Manager for inclusion in the Placement Documents to be filed with BSE Limited and National Stock Exchange of India Limited in connection with the proposed Issue. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. As a result, these Unaudited Condensed Combined Pro Forma Financial Information may not be

suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Reg. No. 015125N)

Anand Subramanian  
Partner  
(Membership No. 110815)  
(UDIN: 23110815BGXVLR9771)

Location: Mumbai  
Date: 27 July 2023



Brookfield India Real Estate Trust  
**Unaudited Condensed Combined Pro forma Financial Information for the year ended 31 March 2023**  
 (All amounts are in Rupees millions unless otherwise stated)

**Unaudited Condensed Combined Pro forma Balance Sheet as at 31 March 2023**

Particulars	Trust Group (A)	Candor Gurgaon 1 (B)	Trust Group with Candor Gurgaon 1 (A) + (B) (Unaudited)	Kairos (C)	Trust Group with Kairos (A) + (C) (Unaudited)	Trust Group with Candor Gurgaon 1 and Kairos (A)+(B)+(C) (Unaudited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	186.80	46.16	232.96	31.29	218.09	264.25
Investment property	134,056.77	22,261.47	156,318.24	31,997.16	166,053.93	188,315.40
Investment property under development	1,216.94	194.79	1,411.73	531.16	1,748.10	1,942.89
Intangible assets	0.01	0.19	0.20	0.73	0.74	0.93
Goodwill	-	-	-	5,649.99	5,649.99	5,649.99
Financial assets						
-Other financial assets	798.29	368.53	1,166.82	752.50	1,550.79	1,919.32
Deferred tax assets (net)	3,690.79	-	3,690.79	-	3,690.79	3,690.79
Non-current tax assets (net)	2,129.84	225.15	2,354.99	528.58	2,658.42	2,883.57
Other non-current assets	128.48	10.47	138.95	31.12	159.60	170.07
<b>Total non-current assets</b>	<b>142,207.92</b>	<b>23,106.76</b>	<b>165,314.68</b>	<b>39,522.53</b>	<b>181,730.45</b>	<b>204,837.21</b>
<b>Current assets</b>						
Financial assets						
-Trade receivables	239.04	23.37	262.41	130.28	369.32	392.69
-Cash and cash equivalents	2,096.55	773.20	2,869.75	450.31	2,546.86	3,320.06
-Other bank balances	483.64	159.23	642.87	476.91	960.55	1,119.78
-Other financial assets	990.19	69.72	1,059.91	973.10	1,963.29	2,033.01
Other current assets	389.64	30.75	420.39	28.95	418.59	449.34
<b>Total current assets</b>	<b>4,199.06</b>	<b>1,056.27</b>	<b>5,255.33</b>	<b>2,059.55</b>	<b>6,258.61</b>	<b>7,314.88</b>
<b>TOTAL ASSETS</b>	<b>146,406.98</b>	<b>24,163.03</b>	<b>170,570.01</b>	<b>41,582.08</b>	<b>187,989.06</b>	<b>212,152.09</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Unit Capital	86,556.65	-	86,556.65	-	86,556.65	86,556.65
Equity Share Capital	-	0.10	0.10	97.59	97.59	97.69
Other equity	(3,219.27)	(9,377.90)	(12,597.17)	(1,886.51)	(5,105.78)	(14,483.68)
<b>Total</b>	<b>83,337.38</b>	<b>(9,377.80)</b>	<b>73,959.58</b>	<b>(1,788.92)</b>	<b>81,548.46</b>	<b>72,170.66</b>
Equity attributable to unit holders of Brookfield India REIT	83,337.38	(4,688.90)	78,648.48	(894.46)	82,442.92	77,754.02
Non-controlling interest	-	(4,688.90)	(4,688.90)	(894.46)	(894.46)	(5,583.36)
<b>Total equity</b>	<b>83,337.38</b>	<b>(9,377.80)</b>	<b>73,959.58</b>	<b>(1,788.92)</b>	<b>81,548.46</b>	<b>72,170.66</b>
<b>LIABILITIES</b>						
<b>Non current liabilities</b>						
Financial liabilities						
-Borrowings	53,984.16	26,958.67	80,942.83	37,838.20	91,822.36	118,781.03
-Lease liabilities	220.39	-	220.39	-	220.39	220.39
-Other financial liabilities	1,261.07	426.24	1,687.31	777.80	2,038.87	2,465.11
Provisions	23.87	-	23.87	9.93	33.80	33.80
Deferred tax liabilities (net)	-	2,516.65	2,516.65	-	-	2,516.65
Other non-current liabilities	935.14	101.34	1,036.48	96.72	1,031.86	1,133.20
<b>Total non-current liabilities</b>	<b>56,424.63</b>	<b>30,002.90</b>	<b>86,427.53</b>	<b>38,722.65</b>	<b>95,147.28</b>	<b>125,150.18</b>
<b>Current liabilities</b>						
Financial liabilities						
-Borrowings	536.22	1,909.25	2,445.47	1,905.05	2,441.27	4,350.52
-Lease liabilities	342.93	-	342.93	-	342.93	342.93
-Trade payables						
Total outstanding dues of micro enterprises and small enterprises	76.54	21.49	98.03	61.13	137.67	159.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	578.42	118.01	696.43	193.33	771.75	889.76
-Other financial liabilities	4,577.11	1,400.04	5,977.15	2,178.61	6,755.72	8,155.76
Provisions	9.99	-	9.99	0.48	10.47	10.47
Other current liabilities	403.64	79.71	483.35	305.85	709.49	789.20
Current tax liabilities (net)	120.12	9.43	129.55	3.90	124.02	133.45
<b>Total current liabilities</b>	<b>6,644.97</b>	<b>3,537.93</b>	<b>10,182.90</b>	<b>4,648.35</b>	<b>11,293.32</b>	<b>14,831.25</b>
<b>Total liabilities</b>	<b>63,069.60</b>	<b>33,540.83</b>	<b>96,610.43</b>	<b>43,371.00</b>	<b>106,440.60</b>	<b>139,981.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>146,406.98</b>	<b>24,163.03</b>	<b>170,570.01</b>	<b>41,582.08</b>	<b>187,989.06</b>	<b>212,152.09</b>

The above statement should be read with notes to the Unaudited Condensed Combined Pro forma Financial Information

As per our report of even date attached  
 For **DELOITTE HASKINS & SELLS**  
 Chartered Accountants  
 Firm Registration No.: 015125N

For and on behalf of the Issue Committee of the Board of Directors of  
**Brookprop Management Services Private Limited**  
 (as Manager to the Brookfield India REIT)

**Anand Subramanian**  
 Partner  
 Membership No: 110815  
 Place: Mumbai  
 Date: 27 July 2023

**Ankur Gupta**      **Alok Aggarwal**      **Sanjeev Kumar Sharma**  
 Director            Chief Executive Officer      Chief Financial Officer  
 DIN No. 08687570      Place: Mumbai              Place: Gurugram  
 Place: Jaipur            Date: 27 July 2023          Date: 27 July 2023  
 Date: 27 July 2023

Brookfield India Real Estate Trust  
**Unaudited Condensed Combined Pro forma Financial Information for the year ended 31 March 2023**  
(All amounts are in Rupees millions unless otherwise stated)

**Unaudited Condensed Combined Pro forma Statement of Profit & Loss for the year ended 31 March 2023**

Particulars	Trust Group (A)	Candor Gurgaon I (B)	Trust Group with Candor Gurgaon I (A) + (B) (Unaudited)	Kairos (C)	Trust Group with Kairos (A) + (C) (Unaudited)	Trust Group with Candor Gurgaon I and Kairos (A)+(B)+(C) (Unaudited)
<b>Income and gains</b>						
Revenue from operations	11,969.99	3,556.18	15,526.17	4,814.31	16,784.30	20,340.48
Other income	324.80	92.03	416.83	94.47	419.27	511.30
<b>Total income</b>	<b>12,294.79</b>	<b>3,648.21</b>	<b>15,943.00</b>	<b>4,908.78</b>	<b>17,203.57</b>	<b>20,851.78</b>
<b>Expenses and losses</b>						
Cost of material consumed	54.84	-	54.84	8.91	63.75	63.75
Employee benefits expenses	347.31	-	347.31	120.11	467.42	467.42
Finance costs	4,324.57	2,741.98	7,066.55	3,706.12	8,030.69	10,772.67
Depreciation and amortization expenses	2,752.02	539.88	3,291.90	563.16	3,315.18	3,855.06
Investment management fees	80.11	-	80.11	-	80.11	80.11
Valuation expenses	12.56	-	12.56	-	12.56	12.56
Trustee fees	2.95	-	2.95	-	2.95	2.95
Other expenses	3,316.53	918.71	4,235.24	942.31	4,258.84	5,177.55
<b>Total expenses</b>	<b>10,890.89</b>	<b>4,200.57</b>	<b>15,091.46</b>	<b>5,340.61</b>	<b>16,231.50</b>	<b>20,432.07</b>
<b>Profit/(loss) before income tax</b>	<b>1,403.90</b>	<b>(552.36)</b>	<b>851.54</b>	<b>(431.83)</b>	<b>972.07</b>	<b>419.71</b>
<b>Tax expense:</b>						
Current tax						
-for current period	40.17	-	40.17	-	40.17	40.17
-for earlier years	(12.89)	(0.15)	(13.04)	-	(12.89)	(13.04)
Deferred tax charge/ (credit)	64.30	(98.07)	(33.77)	-	64.30	(33.77)
<b>Tax expense for the year</b>	<b>91.58</b>	<b>(98.22)</b>	<b>(6.64)</b>	<b>-</b>	<b>91.58</b>	<b>(6.64)</b>
<b>Profit/ (loss) for the year after income tax</b>	<b>1,312.32</b>	<b>(454.14)</b>	<b>858.18</b>	<b>(431.83)</b>	<b>880.49</b>	<b>426.35</b>
<b>Other comprehensive income</b>						
Items that will not be reclassified to profit or loss						
- Remeasurement of defined benefit obligations	1.03	-	1.03	1.23	2.26	2.26
- Income tax related to items that will not be reclassified to profit or loss	(0.37)	-	(0.37)	-	(0.37)	(0.37)
<b>Other comprehensive income for the year, net of tax</b>	<b>0.66</b>	<b>-</b>	<b>0.66</b>	<b>1.23</b>	<b>1.89</b>	<b>1.89</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>1,312.98</b>	<b>(454.14)</b>	<b>858.84</b>	<b>(430.60)</b>	<b>882.38</b>	<b>428.24</b>
<b>Profit/ (loss) for the year after income tax for the year attributable to unit holders of Brookfield India REIT</b>	<b>1,312.32</b>	<b>(227.07)</b>	<b>1,085.25</b>	<b>(215.92)</b>	<b>1,096.40</b>	<b>869.33</b>
<b>Profit/ (loss) for the year after income tax for the year attributable to non- controlling interests</b>	<b>-</b>	<b>(227.07)</b>	<b>(227.07)</b>	<b>(215.91)</b>	<b>(215.91)</b>	<b>(442.98)</b>
<b>Total comprehensive income/(loss) for the year attributable to unit holders of Brookfield India REIT</b>	<b>1,312.98</b>	<b>(227.07)</b>	<b>1,085.91</b>	<b>(215.30)</b>	<b>1,097.68</b>	<b>870.61</b>
<b>Total comprehensive income/(loss) for the year attributable to non- controlling interests</b>	<b>-</b>	<b>(227.07)</b>	<b>(227.07)</b>	<b>(215.30)</b>	<b>(215.30)</b>	<b>(442.37)</b>

The above statement should be read with notes to the Unaudited Condensed Combined Pro forma Financial Information

As per our report of even date attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Issue Committee of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Mumbai  
Date: 27 July 2023

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Jaipur  
Date: 27 July 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 27 July 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Gurugram  
Date: 27 July 2023

## **Notes to the Unaudited Condensed Combined Pro forma Financial Information:**

### **1. Background and description of the transaction**

Brookfield India Real Estate Trust (the "Brookfield India REIT") has been set up by Brookprop Management Services Private Limited (the 'Settlor') on 17 July 2020, as an irrevocable Trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and Brookfield India REIT has been registered with Securities and Exchange Board of India as a Real Estate Investment Trust on 14 September 2020 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, having registration number IN/REIT/20-21/0004. The Trustee to Brookfield India REIT is Axis Trustee Services Limited (the 'Trustee'), the Manager for Brookfield India REIT is Brookprop Management Services Private Limited (the 'Manager') and the sponsor for Brookfield India REIT is BSREP India Office Holdings V Pte. Ltd (the "Sponsor").

The principal place of business of Brookfield India REIT is situated at Candor TechSpace IT/ITES SEZ, Tower 5A, Sector 48, Tikri (near Subhash Chowk), Gurugram 122018, Haryana, India.

The Trust Group comprises of Brookfield India REIT and its subsidiaries, namely Candor Kolkata One Hi-Tech Structures Private Limited (Candor Kolkata), Shantiniketan Properties Private Limited (SPPL Noida), Festus Properties Private Limited (Festus), Seaview Developers Private Limited (SDPL Noida) (individually referred to as 'Special Purpose Vehicle' or 'SPV') and Candor India Office Parks Private Limited ('CIOP') ('Project management company' or 'PMC'). Brookfield India REIT together with SPVs and PMC are referred to as 'Trust Group'.

Brookfield India REIT has entered into agreements, subject to certain condition precedents, with the shareholders of Candor Gurgaon One Realty Projects Private Limited ("Candor Gurgaon 1") and with the shareholders of Kairos Property Managers Private Limited ("Kairos") (Candor Gurgaon 1 and Kairos herein after collectively referred to as the 'Target entities') through which Brookfield India REIT propose to acquire 50% of the share capital (on a fully diluted basis) of Target entities. The Target entities and its shareholders are related parties of Brookfield India REIT. Reco Cerium Private Limited (Reco), has entered into agreements, subject to certain condition precedents, with the shareholders of Target entities to acquire balance 50% of the share capital (on a fully diluted basis) of Target entities.

### **2. Purpose and basis of preparation**

- a) Candor Gurgaon 1 and Kairos have been Combined in the Unaudited Condensed Combined Pro forma Financial Information on the assumption that they had been controlled by Brookfield India REIT for the year ended 31 March 2023, with Reco having non-controlling interest in Candor Gurgaon 1 and Kairos. The Unaudited Condensed Combined Pro forma Financial Information consists of Unaudited Condensed Combined Pro forma Balance Sheet as at 31 March 2023 and Unaudited Condensed Combined Pro forma Statement of Profit and Loss (including other comprehensive income) for the year ended 31 March 2023 and selected explanatory notes (collectively, "Unaudited Condensed Combined Pro forma Financial Information"). These Unaudited Condensed Combined Pro forma Financial Information has been compiled by the Manager of Brookfield India REIT for inclusion in the Preliminary Placement Document and Placement Document (collectively, "Placement Documents") prepared by the Manager solely in connection with the proposed Institutional Placement of its Units by Brookfield India REIT ("Issue"), in accordance with the requirements of the 'Guidance Note on Combined and Carve Out Financial Statements' issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note"). The Manager has presented the Unaudited Condensed Combined Pro forma Financial Information as at and for the year ended 31 March 2023 on a voluntary basis since the Manager believes that such information is important for the investors considering the significance of the proposed acquisitions and the material nature of the subsidiaries proposed to be acquired. The Unaudited Condensed Combined Pro forma Financial Information has been compiled by the Manager solely to illustrate the financial position

and performance of Trust Group as if, with effect from 1 April 2022, (i) Candor Gurgaon 1 is acquired by Brookfield India REIT, or (ii) Kairos is acquired by Brookfield India REIT, or (iii) Both Candor Gurgaon 1 and Kairos are acquired by Brookfield India REIT. As part of this process, information about the financial position and performance as at and for the year ended 31 March 2023 of Candor Gurgaon 1 and / or Kairos with the Trust Group (collectively, the "Proforma Group") have been compiled by the Manager from (a) the audited Consolidated Financial Statements of the Brookfield India REIT as of and for the year ended 31 March 2023 ("Trust Group Consolidated Financial Statements"); (b) the audited financial statements of Candor Gurgaon 1 as at and for the year ended 31 March 2023 (the "Candor Gurgaon 1 Audited Financial Statements"); and (c) the audited Special Purpose Condensed Combined and Carve-out Financial Statements of Kairos as at and for the year ended 31 March 2023 (the "Kairos Special Purpose Condensed Combined and Carve-out Financial Statements").

The above Trust Group Consolidated Financial Statements, Candor Gurgaon 1 Audited Financial Statements, and Kairos Condensed Combined and Carve-out Financial Statements are included in the Placement Documents.

- b) The Unaudited Condensed Combined Pro forma Financial Information addresses a hypothetical situation and does not represent our actual combined financial results of operations and is not intended to be indicative of our future financial results of operations. The Unaudited Condensed Combined Pro forma Financial Information do not reflect the potential realization of cost savings (if any), or restructuring or other costs relating to the integration of Candor Gurgaon 1 and / or Kairos with the Trust Group. The rules and regulations related to the preparation of pro forma financial information in other jurisdictions may vary significantly from the basis of preparation of the Unaudited Condensed Combined Pro forma Financial Information. Therefore, Unaudited Condensed Combined Pro forma Financial Information should not be relied upon as if it has been prepared in accordance with those standards and practices.
- c) The Unaudited Condensed Combined Pro forma Financial Information for the above mentioned period is not a complete set of financial statements of Proforma Group and is not intended to give true and fair view of the financial position and performance of the Proforma Group for the period, in accordance with Indian Accounting Standards (referred to as 'Ind AS') prescribed under Section 133 of the Companies Act, 2013 (referred to as 'the Act') and Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 ("REIT Regulations"). As a result, these Unaudited Condensed Combined Pro forma Financial Information may not be comparable and suitable for any purpose other than as stated above.

Further, since this financial information presents the combined historical financial information of Brookfield India REIT, and Target entities that do not comprise a group (i.e. parent and subsidiaries), these financial information have been indicated as Combined Financial Information and not Consolidated Financial Information and combined as stated in this Note.

- d) The Unaudited Condensed Combined Pro forma Financial Information of the Proforma Group have not been inter alia adjusted to reflect potential accounting under Ind AS 103 "Business Combination" related to proposed acquisition of Candor Gurgaon 1 and / or Kairos by Brookfield India REIT. These Unaudited Condensed Combined Pro forma Financial Information have been prepared considering the underlying historical / special purpose financial information of Candor Gurgaon 1 and / or Kairos and not using the accounting principle required to be followed as per Ind AS 103 "Business Combination". However, the proposed acquisition of Candor Gurgaon 1 and / or Kairos could require accounting as per the requirements of Ind AS 103 "Business Combination" on the date of acquisition by Brookfield India REIT. Accordingly, the Unaudited Condensed Combined Pro forma Financial Information may not be representative of the actual financial position and financial performance which may prevail after Candor Gurgaon 1 and / or Kairos is / are acquired by Brookfield India REIT.

**3. Pro forma adjustment to Unaudited Condensed Combined Pro forma Balance Sheet and the Unaudited Condensed Combined Pro forma Statements of Profits and Loss.**

- a) Brookfield India REIT would acquire 50% equity of target entities. Therefore, equity and profit/(loss) attributable to Unitholders of Brookfield India REIT and non-controlling interest is presented separately in Unaudited Condensed Combined Pro forma Balance Sheet as at 31 March 2023 and Unaudited Condensed Combined Pro forma Statement of Profit and Loss (including other comprehensive income) for the year ended 31 March 2023. Equity attributable to Unitholders of Brookfield India REIT and non-controlling interest is calculated by dividing total equity as at 31 March 2023 of Candor Gurgaon 1 and Kairos, as appearing in Candor Gurgaon 1 Audited Financial Statements and Kairos Condensed Combined and Carve-out Financial Statements, respectively, in equal proportion. Profit/(loss) for the year after income tax attributable to Unitholders of Brookfield India REIT and non-controlling interest is calculated by dividing Profit/ (loss) for the year after income tax for the year ended 31 March 2023 as appearing in Candor Gurgaon 1 Audited Financial Statements and Kairos Condensed Combined and Carve-out Financial Statements, respectively, in equal proportion.

For and on behalf of the Issue Committee of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Jaipur  
Date: 27 July 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 27 July 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Gurugram  
Date: 27 July 2023

**ANNEXURE B**

**FINANCIAL INFORMATION OF THE BROOKFIELD REIT**

<b>S. No.</b>	<b>Particulars</b>	<b>Page no.</b>
1.	Consolidated Financial Statements	B-1
2.	Special Purpose Condensed Combined Financial Statements	B-137
3.	Fiscal 2021 Consolidated Financial Statements	B-189

## INDEPENDENT AUDITOR'S REPORT

### To The Unitholders of Brookfield India Real Estate Trust Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Brookfield India Real Estate Trust (the "REIT") and its subsidiaries (together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31 March 2023, the Consolidated Statement of Cash Flows for the year ended 31 March 2023, the Consolidated Statement of Changes in Unitholders' Equity for the year ended 31 March 2023, the Consolidated Statement of Net Assets at fair value as at 31 March 2023, the Consolidated Statement of Total Return at fair value for the year ended 31 March 2023 and the Statement of Net Distributable Cash Flow of the REIT and each of the subsidiaries for the year ended 31 March 2023 as an additional disclosure in accordance with Paragraph 6 of Annexure A to the Securities Exchange Board of India (SEBI) Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 along with summary of the significant accounting policies and select explanatory notes (together hereinafter referred as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements:

- (i) includes the financial information of the following entities:

S. No.	Name of the entities
<b>A</b>	<b>Parent Entity</b>
1	Brookfield India Real Estate Trust
<b>B</b>	<b>Subsidiaries</b>
1	Shantiniketan Properties Private Limited
2	Candor Kolkata One Hi-Tech Structures Private Limited
3	Festus Properties Private Limited
4	Seaview Developers Private Limited
5	Candor India Office Parks Private Limited

- (ii) give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT Regulations, of the consolidated state of affairs of the Group as at 31 March 2023, and its consolidated profit including other comprehensive income, consolidated cash flows, consolidated changes in unitholders' equity for the year ended 31 March 2023, its consolidated net assets at fair value as at 31 March 2023, its consolidated total return at fair value for the year ended 31 March 2023 and Statement of Net Distributable Cash Flow of the

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REIT and each of the subsidiaries for the year ended 31 March 2023 and other information of the REIT.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"), issued by Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibility for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI consolidated and we have fulfilled our other ethical responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Emphasis of Matter

We draw attention to Note 15(a)(i) of the consolidated financial statements, which describes the presentation of "Unit Capital" as "Equity" to comply with REIT Regulations. Our opinion is not modified in respect of this matter.

## Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Fair value of investment properties:</p> <p>In accordance with REIT Regulations, the REIT discloses Statement of Net Assets at Fair Value and Statement of Total Return at Fair Value, which requires fair valuation of assets and liabilities. As at 31 March 2023, fair value of total assets was Rs. 174,345.05 million; out of which fair value of investment property is Rs. 163,729 million representing 94% of the fair value of total assets.</p> <p>The fair value of investments property is primarily determined basis the fair value of the underlying investment property as at 31 March 2023.</p> <p>The fair value of investment property is determined by an independent valuer using discounted cash flow method.</p> <p>While there are several assumptions that are required to determine the fair value of investment property; assumptions with the highest degree of estimate, subjectivity and impact on fair values are forecasted market rent, terminal capitalization rate and discount rate. Auditing these assumptions required a high degree of auditor judgement as the estimates made by the independent valuer contains significant measurement uncertainty.</p> <p>Refer Consolidated Statement of Net assets at fair value and Consolidated Statement of total return</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures related to the forecasted market rent, terminal capitalization rates and discount rate used to determine the fair value of investment property included the following, among others:</p> <ul style="list-style-type: none"> <li>• We obtained the independent valuer's valuation reports and understood the source of information used by the independent valuer in determining these assumptions.</li> <li>• We tested the reasonableness of inputs, shared by management with the independent valuer, by comparing it to source information used in preparing the inputs such as rent rolls.</li> <li>• We evaluated the reasonableness of management's forecasted market rent by comparing it with sample of lease agreements for ongoing rentals, contractual lease escalations and other market information, as applicable.</li> <li>• With the assistance of our fair valuation specialist, we evaluated the reasonableness of forecasted market rent, terminal capitalization rates and discount rate by comparing it with market information such as recent market</li> </ul>



at fair value in the consolidated financial statements.

transactions for comparable properties, market surveys by property consultants and non-binding broker quotes, as applicable.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

- Brookprop Management Services Private Limited (the "Investment Manager") acting in its capacity as an Investment Manager of REIT is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Board of Directors of the Investment Manager (the "Board") is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in unitholder's equity, net asset at fair value, total return at fair value, Net Distributable Cash Flow of the REIT and each of the subsidiaries and other information of the REIT in the conformity with the REIT Regulations, the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT Regulations.

The Board and the respective Board of Directors of the subsidiaries included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Board of the REIT, as aforesaid.

In preparing the consolidated financial statements, the Management of the Investment Manager and the respective Management of the subsidiaries included in the Group is responsible for assessing the ability of the REIT and respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the respective Board of Directors of the subsidiaries included in the Group either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board and the respective Board of Directors of the subsidiaries included in the Group is also responsible for overseeing the financial reporting process of Group.

**Auditor’s Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management of the Investment Manager.
- Conclude on the appropriateness of Management of the Investment Manager’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

# **Deloitte Haskins & Sells**

We communicate with those charged with governance of the REIT and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

Based on our audit and as required by REIT regulations, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Unitholders' Equity, Statement of Net Assets at fair value, Statement of Total Return at fair value and the Statement of Net Distributable Cash Flow of the REIT and each of the subsidiaries dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- c) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rule, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT Regulations.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Reg. No. 015125N)

Sd/-  
**Anand Subramanian**  
(Partner)  
(Membership No. 110815)  
(UDIN: 23110815BGXVKT5209)

Place: Bangalore  
Date: 18 May 2023

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Balance Sheet**

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	3	186.80	154.90
Investment property	4	134,056.77	134,419.98
Investment property under development	4	1,216.94	1,745.46
Intangible assets	3	0.01	0.13
Financial assets			
-Other financial assets	5	798.29	1,437.33
Deferred tax assets (net)	6	3,690.79	3,755.46
Non-current tax assets (net)	7	2,129.84	2,416.27
Other non-current assets	8	128.48	175.54
<b>Total non-current assets</b>		<b>142,207.92</b>	<b>144,105.07</b>
<b>Current assets</b>			
Financial assets			
-Trade receivables	9	239.04	224.88
-Cash and cash equivalents	10	2,096.55	2,043.65
-Other bank balances	11	483.64	506.49
-Loans	12	-	-
-Other financial assets	13	990.19	755.31
Other current assets	14	389.64	222.58
<b>Total current assets</b>		<b>4,199.06</b>	<b>3,752.91</b>
<b>TOTAL ASSETS</b>		<b>146,406.98</b>	<b>147,857.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unit Capital	15	86,556.65	89,867.31
Other equity	16	(3,219.27)	(1,046.38)
<b>Total equity</b>		<b>83,337.38</b>	<b>88,820.93</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Financial liabilities			
-Borrowings	17	53,984.16	50,993.53
-Lease liabilities		220.39	220.44
-Other financial liabilities	18	1,261.07	1,329.30
Provisions	19	23.87	18.91
Other non-current liabilities	20	935.14	645.93
<b>Total non-current liabilities</b>		<b>56,424.63</b>	<b>53,208.11</b>

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Balance Sheet**

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>Current liabilities</b>			
Financial liabilities			
-Borrowings	21	536.22	661.81
-Lease liabilities		342.93	27.73
-Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		76.54	60.38
Total outstanding dues of creditors other than micro enterprises and small enterprises		578.42	577.13
-Other financial liabilities	23	4,577.11	4,061.26
Provisions	24	9.99	7.32
Other current liabilities	25	403.64	312.67
Current tax liabilities (net)	26	120.12	120.64
<b>Total current liabilities</b>		<b>6,644.97</b>	<b>5,828.94</b>
<b>Total liabilities</b>		<b>63,069.60</b>	<b>59,037.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>146,406.98</b>	<b>147,857.98</b>

Significant accounting policies 2

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2023

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2023

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Statement of Profit and Loss**

Particulars	Note	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>Income and gains</b>			
Revenue from operations	27	11,969.99	8,767.91
Other income	28	324.80	224.23
<b>Total income</b>		<b>12,294.79</b>	<b>8,992.14</b>
<b>Expenses and losses</b>			
Cost of material consumed	29	54.84	24.02
Employee benefits expenses	30	347.31	196.85
Finance costs	31	4,324.57	2,080.69
Depreciation and amortization expenses	32	2,752.02	2,084.77
Investment management fees		80.11	81.21
Valuation expenses		12.56	11.60
Trustee fees		2.95	2.95
Other expenses	33	3,316.53	2,268.06
<b>Total expenses</b>		<b>10,890.89</b>	<b>6,750.15</b>
<b>Profit before income tax</b>		<b>1,403.90</b>	<b>2,241.99</b>
<b>Tax expense:</b>	34		
Current tax			
-for current period		40.17	27.96
-for earlier years		(12.89)	(3.81)
Deferred tax charge/ (credit)		64.30	(245.01)
<b>Tax expense for the year</b>		<b>91.58</b>	<b>(220.86)</b>
<b>Profit for the year after income tax</b>		<b>1,312.32</b>	<b>2,462.85</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		1.03	1.19
- Income tax related to items that will not be reclassified to profit or loss		(0.37)	(0.20)
<b>Other comprehensive income for the year, net of tax</b>		<b>0.66</b>	<b>0.99</b>
<b>Total comprehensive income for the year</b>		<b>1,312.98</b>	<b>2,463.84</b>
<b>Earnings per unit</b>			
Basic	41	3.92	7.97
Diluted		3.92	7.97
Significant accounting policies	2		

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

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Date: 18 May 2023

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Place: Mumbai  
Date: 18 May 2023

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Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2023

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

(All amounts are in Rupees Millions unless otherwise stated)

**Consolidated Statement of Cash Flows**

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>Cash flows from operating activities :</b>		
Profit before tax	1,403.90	2,241.99
<b>Adjustments for :</b>		
Depreciation and amortization expense	2,752.02	2,084.77
Allowance for expected credit loss	10.22	10.08
Interest income on fixed deposit	(116.52)	(71.05)
Deferred income amortization	(207.60)	(161.06)
Credit impaired	11.26	10.77
Restricted Stock Units	5.74	0.55
Finance cost	4,324.57	2,080.69
Interest income on security deposit	(32.36)	(28.38)
Fair value gain on income support	(77.46)	(31.58)
<b>Operating cash flows before working capital changes</b>	<b>8,073.77</b>	<b>6,136.78</b>
<b>Movement in working capital:</b>		
(Increase) in other current and non current assets	(92.33)	(34.88)
Decrease in current and non current financial assets	448.58	42.89
Increase/(Decrease) in current and non current financial liabilities	156.13	(138.05)
Increase in other current and non current liabilities	373.34	227.31
<b>Cash generated from operating activities</b>	<b>8,959.49</b>	<b>6,234.05</b>
Income taxes (paid)/ refunds received (net)	258.63	(174.85)
<b>Net cash generated from operating activities (A)</b>	<b>9,218.12</b>	<b>6,059.20</b>
<b>Cash flows from investing activities :</b>		
Expenditure incurred on investment property*	(885.85)	(873.33)
Purchase of property, plant and equipment	(53.70)	(42.42)
Payment for acquisition of subsidiary, including directly attributable expenses	(11.52)	(13,258.02)
Fixed deposits matured#	512.15	273.29
Fixed deposits made #	(500.17)	(223.56)
Interest received on fixed deposits	126.42	61.95
Interest received on security deposit	32.36	28.38
<b>Net cash (used in) investing activities (B)</b>	<b>(780.31)</b>	<b>(14,033.71)</b>
<b>Cash flows from financing activities :##</b>		
Finance cost paid	(4,105.97)	(2,152.60)
Proceeds from long-term borrowings	3,400.00	15,909.99
Repayment of Lease liabilities	(305.57)	(11.02)
Repayment of long-term borrowings	(567.18)	(5,627.38)
Proceeds from issue of Units	-	4,949.83
Expense incurred towards Initial public offerings	-	(1,201.97)
Expense incurred towards preferential allotment	(4.00)	(44.92)
Distribution to unitholders	(6,802.19)	(5,147.53)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(8,384.91)</b>	<b>6,674.40</b>

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

(All amounts are in Rupees Millions unless otherwise stated)

**Consolidated Statement of Cash Flows**

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	52.90	(1,300.11)
Cash and cash equivalents at the beginning of the year	2,043.65	3,155.19
Cash and cash equivalents acquired due to asset acquisition:	-	188.57
Cash and cash equivalents at the end of the year (refer note 10)	2,096.55	2,043.65
<b>Components of cash and cash equivalents at the end of the year</b>		
Balances with banks		
- in current account	38.05	193.65
- in deposit account	2,058.50	1,850.00
	<b>2,096.55</b>	<b>2,043.65</b>

# Represents fixed deposits with original maturity of more than 3 months.

## Refer note 17(b) for changes in liabilities arising from financing activities.

\*Net inflow relates to refund received during the year on account of excess statutory charges paid and capitalized in earlier years. (refer note 4)

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard -7 : "Statement on Cash Flows".

2. Non-cash investing activities disclosed in other notes is towards partial settlement on assets acquisition of SDPL Noida on 24 January 2022 through the issue of units (refer note 47(ii)).

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2023

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Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2023

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Chief Executive Officer  
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Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2023



**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees million unless otherwise stated)

**Consolidated Statement of Changes in Unitholder's Equity**

	Unit in Nos.	Amount
<b>(a) Unit Capital</b>		
<b>Balance as on 01 April 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>
<b>Changes in unit capital during the previous year:</b>		
Less: Distribution to Unitholders for the quarter ended 30 June 2021#	-	(297.05)
Less: Distribution to Unitholders for the quarter ended 30 September 2021#	-	(605.60)
Less: Distribution to Unitholders for the quarter ended 31 December 2021#	-	(481.45)
Add: Reversal of issue expenses no longer payable	-	25.55
Add: Units issued during the year (refer note 15)	32,285,472	9,500.00
Less: Expense incurred towards preferential allotment	-	(48.92)
<b>Balance at the end of the previous reporting year 31 March 2022</b>	<b>335,087,073</b>	<b>89,867.31</b>
<b>Balance as on 01 April 2022</b>	<b>335,087,073</b>	<b>89,867.31</b>
<b>Changes in unit capital during the current year:</b>		
Less: Distribution to Unitholders for the quarter ended 31 March 2022#	-	(720.44)
Less: Distribution to Unitholders for the quarter ended 30 June 2022#	-	(857.82)
Less: Distribution to Unitholders for the quarter ended 30 September 2022#	-	(861.17)
Less: Distribution to Unitholders for the quarter ended 31 December 2022#	-	(871.23)
<b>Balance at the end of the current reporting year 31 March 2023</b>	<b>335,087,073</b>	<b>86,556.65</b>

**(b) Other equity**

Particulars	Retained earnings
<b>Balance as on 01 April 2021</b>	<b>252.75</b>
Add: Profit for the year ended 31 March 2022	2,462.85
Add: Other comprehensive income for the year ended 31 March 2022	0.99
<b>Add: Total Comprehensive Income for the previous year</b>	<b>2,463.84</b>
Less: Distribution to Unitholders for the quarter ended 30 June 2021#	(1,519.76)
Less: Distribution to Unitholders for the quarter ended 30 September 2021#	(1,211.21)
Less: Distribution to Unitholders for the quarter ended 31 December 2021#	(1,032.55)
Add: Restricted Stock Units	0.55
<b>Balance as at 31 March 2022</b>	<b>(1,046.38)</b>
<b>Balance as on 01 April 2022</b>	<b>(1,046.38)</b>
Add: Profit for the year ended 31 March 2023	1,312.32
Add: Other comprehensive income for the year ended 31 March 2023	0.66
<b>Add: Total Comprehensive Income for the current year</b>	<b>1,312.98</b>
Less: Distribution to Unitholders for the quarter ended 31 March 2022#	(988.51)
Less: Distribution to Unitholders for the quarter ended 30 June 2022#	(851.12)
Less: Distribution to Unitholders for the quarter ended 30 September 2022#	(847.77)
Less: Distribution to Unitholders for the quarter ended 31 December 2022#	(804.21)
Add: Restricted Stock Units	5.74
<b>Balance as at 31 March 2023</b>	<b>(3,219.27)</b>

#The distributions made by Trust to its Unitholders are based on the Net Distributable Cash Flows (NDCF) of Brookfield India REIT under the REIT Regulations. (Refer foot note 1 of statement of Net Distributable Cash Flows of Brookfield India REIT- Standalone)

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2023

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2023

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Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2023

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Statement of Net Assets at Fair Value**

S.No	Particulars	As at 31 March 2023 (Audited)		As at 31 March 2022 (Audited)	
		Book Value	Fair value	Book Value	Fair value
A	Assets	146,406.98	174,345.05	147,857.98	170,891.54
B	Liabilities	(63,069.60)	(63,069.60)	(59,037.05)	(59,037.05)
C	<b>Net Assets ( A-B)</b>	<b>83,337.38</b>	<b>111,275.45</b>	<b>88,820.93</b>	<b>111,854.49</b>
D	No. of units	335,087,073	335,087,073	335,087,073	335,087,073
E	<b>NAV per unit (C/D)</b>	<b>248.70</b>	<b>332.08</b>	<b>265.07</b>	<b>333.81</b>

**Measurement of fair values**

The fair value of investment properties and investment property under development has been determined by independent external registered property valuers, having appropriately recognized professional qualifications and recent experience in the location and category of the properties being valued.

**Valuation technique**

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 sq. ft. 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 vs secondary), tenant credit quality, lease terms and investors expected return.

For fair valuation of financial assets and financial liabilities refer note 37.

**Notes**

1. Candor Kolkata has plans to de-notify a portion of its SEZ into non SEZ. The denotification will be taken up prior to the construction commencement and is procedural in nature. Hence, the fair valuation of such SEZ portion has been computed by the valuers assuming non IT use.

2. Project wise break up of Fair value of Assets :

**As at 31 March 2023**

Entity and Property name	Fair value of Investment property and Investment property under development	Other assets at book value	Total assets
Candor Kolkata One Hi-Tech Structures Private Limited	72,300.00	3,572.58	75,872.58
Shantiniketan Properties Private Limited	24,245.00	909.69	25,154.69
Festus Properties Private Limited	24,288.00	1,739.61	26,027.61
Seaview Developers Private Limited	42,896.00 *	2,452.64	45,348.64
Candor India Office Parks Private Limited	-	102.06	102.06
Brookfield India Real Estate Trust	-	1,839.47	1,839.47
	<b>163,729.00</b>	<b>10,616.05</b>	<b>174,345.05</b>

\*Includes Rs. 517.23 millions of finance receivable relating to income support and corresponding amount has been reduced from other assets.

**As at 31 March 2022**

Entity and Property name	Fair value of Investment property and Investment property under development	Other assets at book value	Total assets
Candor Kolkata One Hi-Tech Structures Private Limited	70,806.53	3,776.76	74,583.29
Shantiniketan Properties Private Limited	21,329.32	751.69	22,081.01
Festus Properties Private Limited	27,258.00	1,972.85	29,230.85
Seaview Developers Private Limited	40,967.28 *	2,118.61	43,085.89
Candor India Office Parks Private Limited	-	107.41	107.41
Brookfield India Real Estate Trust	-	1,803.09	1,803.09
	<b>160,361.13</b>	<b>10,530.41</b>	<b>170,891.54</b>

\*Includes Rs. 1,162.13 millions of finance receivable relating to income support and corresponding amount has been reduced from other assets.

- a. Fair values of assets as disclosed above are the fair values of the total assets of all SPVs as included in the Consolidated Financial Statements.  
b. Fair values of investment property and investment property under development as at 31 March 2023 and 31 March 2022 as disclosed above are solely based on the fair valuation report of the independent external registered valuer appointed under the REIT Regulations.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
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Place: Mumbai  
Date: 18 May 2023

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Statement of Total Return at Fair Value**

S.No	Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
A	Total comprehensive Income	1,312.98	2,463.84
B	Add/(Less) : Changes in fair value not recognized -Investment Property	4,259.60	7,079.58
<b>C (A+B) Total Return</b>		<b>5,572.58</b>	<b>9,543.42</b>

The REIT acquired SPVs on 8 February 2021 and 24 January 2022 as fully described in Note 1. In the above statement, changes in fair value for the year ended 31 March 2023 and 31 March 2022 has been computed based on the difference in fair values of investment properties and investment property under development as at 31 March 2023 and 31 March 2022 as compared with the values as at 31 March 2022 and 31 March 2021 respectively after adjusting change in book value of investment properties and investment property under development. The fair values of the aforementioned assets as at 31 March 2023 and 31 March 2022 are solely based on the valuation report of the independent registered valuer appointed under the REIT Regulations.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
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Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
(i) Brookfield India REIT - Standalone

Sr No.	Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
1	Cash flows received from Asset SPVs, CIOP/Operating Service Provider and any investment entity in the form of:		
	• Interest (net of applicable taxes, if any)	3,314.37	4,640.38
	• Dividends (net of applicable taxes, if any)	87.00	222.00
	• Repayment of Shareholder Debt (or debentures and other similar instruments)	4,267.00	16,170.00
	• Proceeds from buy-backs/ capital reduction/ redemptions (net of applicable taxes)	-	-
2	Add: Proceeds from sale, (transfer or liquidation or redemption or otherwise realization) of investments (including cash equivalents), assets or shares of/interest in Asset SPVs, or any form of fund raise at Brookfield REIT level, adjusted for the following:	-	4,949.83
	• Applicable capital gains and other taxes	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-
	• Directly attributable transaction costs	-	(168.38)
	• Proceeds reinvested or planned to be reinvested as per REIT Regulations	-	(4,781.45)
	• Investment in shares or debentures or shareholder debt of Asset SPVs and/ or CIOP/ Operating Service Provider or other similar investments	-	-
	• Lending to Assets SPVs and/ or CIOP/ Operating Service Provider	-	-
3	Add: Proceeds from sale (transfer or liquidation or redemption or otherwise realization) of investments, assets or shares of/ interest in Asset SPVs not distributed pursuant to an earlier plan to re-invest as per REIT Regulations, if such proceeds are not intended to be invested subsequently.	-	-
4	Add: Any other income received at the Brookfield REIT level and not captured herein, or refund/ waiver/ cessation of any expenses/ liability.	43.74	28.37
5	Less: Any other expense (whether in the nature of revenue or capital expenditure) or any liability or other payouts required at the Brookfield REIT level, and not captured herein.	(192.75)	(145.72)
6	Less: Any payment of fees, including but not limited to:		
	• Trustee fees	(2.95)	(5.16)
	• REIT Management Fees	(78.74)	(62.86)
	• Valuer fees	(10.07)	(12.66)
	• Legal and professional fees	(26.46)	(16.25)
	• Trademark license fees	-	-
	• Secondment fees	-	-
7	Add: Cash flow received from Asset SPV and investment entity, if any including to the extent not covered above:		
	• repayment of the debt in case of investments by way of debt	-	-
	• proceeds from buy-backs/ capital reduction	-	-
8	Add/ (Less): Debt drawdown/ (payment) of interest and repayment on external debt (including any loans, bonds, debentures or other form of debt funding) at the Brookfield REIT level.	-	-
9	Less: Income tax and other taxes (if applicable) at the Standalone Brookfield REIT level (net of any tax refunds).	7.42	(8.56)
10	Add/(Less): Cash inflows and outflows in relation to any real estate properties held directly by the Brookfield REIT, to the extent not covered above (if any).	-	-
11	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(622.45)	(13,924.96)
	<b>NDCF</b>	<b>6,786.11</b>	<b>6,884.58</b>

a) The difference between SPV level NDCF and REIT level NDCF is primarily on account of utilization of opening cash at the SPV level for the year ended 31 March 2022.

**Notes:**

- The Board of Directors of the Manager to the Trust, in their meeting held on 18 May 2023, have declared distribution to Unitholders of Rs. 5.00 per unit which aggregates to Rs. 1,675.43 million for the quarter ended 31 March 2023. The distributions of Rs. 5.00 per unit comprises Rs.2.30 per unit in the form of interest payment on shareholder loan and CCD's, Rs. 2.66 per unit in the form of repayment of SPV debt and the balance Rs. 0.04 per unit in the form of interest on fixed deposit and income tax refund.

Along with distribution of Rs. 5,093.32 million/ Rs. 15.20 per unit for the nine months ended 31 December 2022, the cumulative distribution for the year ended 31 March 2023 aggregates to Rs. 6,768.75 million/ Rs. 20.20 per unit.

- NDCF for the year ended 31 March 2023 is computed in accordance with the NDCF framework under the Distribution Policy as approved in the Offer Document.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.  
As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
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Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
(ii) Calculation of net distributable cash flows at each Asset SPV

Sr. No.	Particulars	For the year ended 31 March 2023 (Audited)					Total
		Candor Kolkata	SPPL Noida	CIOP	Festus	SDPL Noida	
1	Profit / (Loss) after tax as per statement of profit and loss (standalone) (A)	(95.59)	61.78	50.18	(380.37)	(342.08)	(706.08)
	<b>Adjustment</b>						
2	Add: Depreciation, amortization and impairment as per statement of profit and loss	596.87	311.97	3.09	251.78	555.90	1,719.61
3	Add/(Less): Any other item of non-cash expense/ non -cash income (net of actual cash flows for these items), as may be deemed necessary by the Manager. For example, any decrease/ increase in carrying amount of an asset or of a liability recognized in statement of profit and loss/income and expenditure on measurement of the asset or the liability at fair value, interest cost as per effective interest rate method, deferred tax, lease rents recognized on a straight line basis, etc.	(186.99)	(79.58)	5.80	117.87	(293.48)	(436.38)
4	Add/less: Loss/gain on sale, transfer/ disposal/ liquidation of real estate assets, investments (including cash equivalents), other assets or shares of /interest in Asset SPVs.	-	-	-	-	-	-
5	Add: Proceeds from sale / liquidation/transfer/ disposal of real estate assets, investments (including cash equivalents), assets or shares of / interest in Asset SPVs, adjusted for the following:	-	-	-	-	-	-
	• Applicable capital gains and other taxes	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-
	• Any acquisition	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per REIT Regulations	-	-	-	-	-	-
	• Investment in any form as permitted under the REIT Regulations as may be deemed necessary by the Manager	-	-	-	-	-	-
6	Add: Proceeds from sale of real estate assets, investments, assets or sale of shares of Asset SPVs not distributed pursuant to an earlier plan to re-invest as per REIT Regulations, if such proceeds are not intended to be invested subsequently.	-	-	-	-	-	-
7	Add: Interest (or other similar payments) on Shareholder Debt (or on debentures or other instruments held by the Brookfield REIT) charged/ debited to the statement of profit and loss.	1,344.73	309.54	-	763.10	694.17	3,111.54
8	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, deferred/prepaid income or deferred/ prepaid expenditure, etc.	922.92	37.70	10.90	288.75	959.21	2,219.48
9	Less: Any expense in the nature of capital expenditure including capitalized interest thereon (to the parties other than Brookfield REIT), capitalized overheads, etc.	46.13	(225.73)	(7.12)	(294.74)	(458.09)	(939.55)
10	Add/(Less): Net debt (repayment)/ drawdown/ (redemption) of preference shares/ debentures/ any other such instrument/ premiums/accrued interest/ any other obligations/ liabilities etc., to parties other than Brookfield REIT, as may be deemed necessary by the Manager.	1,934.67	329.84	-	579.01	(32.24)	2,811.28
11	Add: Cash inflows in relation to equity/ non-refundable advances, etc.	-	-	-	-	-	-
12	Less: Any dividends on or proceeds from repayments or redemptions or buy-backs or capital reduction of shares (including compulsory convertible instruments), held by anyone other than the Brookfield REIT (either directly or indirectly), and any taxes thereon (including any dividend distribution tax or buy back distribution tax, etc., if applicable).	-	-	-	-	-	-
	<b>Total adjustments (B)</b>	<b>4,658.33</b>	<b>683.74</b>	<b>12.67</b>	<b>1,705.77</b>	<b>1,425.47</b>	<b>8,485.98</b>
	<b>NDCF (C) = (A+B)</b>	<b>4,562.74</b>	<b>745.52</b>	<b>62.85</b>	<b>1,325.40</b>	<b>1,083.39</b>	<b>7,779.90</b>

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2023

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2023

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
(ii) Calculation of net distributable cash flows at each Asset SPV

Sr. No.	Particulars	For the year ended 31 March 2022 (Audited)					Total
		Candor Kolkata	SPPL Noida	CIOP	Festus	SDPL Noida	
1	Profit / (Loss) after tax as per statement of profit and loss (standalone) (A)	(514.85)	(119.14)	39.00	(554.66)	(14.88)	(1,164.53)
	<b>Adjustment</b>						
2	Add: Depreciation, amortization and impairment as per Statement of profit and loss	671.80	290.86	1.09	256.24	97.32	1,317.31
3	Add/(Less): Any other item of non-cash expense/ non -cash income (net of actual cash flows for these items), as may be deemed necessary by the Manager. For example, any decrease/ increase in carrying amount of an asset or of a liability recognized in statement of profit and loss/income and expenditure on measurement of the asset or the liability at fair value, interest cost as per effective interest rate method, deferred tax, lease rents recognized on a straight line basis, etc.	(255.18)	(51.29)	2.18	197.33	(105.47)	(212.43)
4	Add/less: Loss/gain on sale, transfer/ disposal/ liquidation of real estate assets, investments (including cash equivalents), other assets or shares of /interest in Asset SPVs.	-	-	-	-	-	-
5	Add: Proceeds from sale / liquidation/transfer/ disposal of real estate assets, investments (including cash equivalents), assets or shares of / interest in Asset SPVs, adjusted for the following: • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Any acquisition • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per REIT Regulations • Investment in any form as permitted under the REIT Regulations as may be deemed necessary by the Manager	-	-	-	-	-	-
6	Add: Proceeds from sale of real estate assets, investments, assets or sale of shares of Asset SPVs not distributed pursuant to an earlier plan to re-invest as per REIT Regulations, if such proceeds are not intended to be invested subsequently.	-	-	-	-	-	-
7	Add: Interest (or other similar payments) on Shareholder Debt (or on debentures or other instruments held by the Brookfield REIT) charged/ debited to the statement of profit and loss.	2,722.64	440.99	-	966.92	122.87	4,253.42
8	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, deferred/prepaid income or deferred/ prepaid expenditure, etc.*	593.47	187.52	78.73	(46.14)	5,980.70	6,794.28
9	Less: Any expense in the nature of capital expenditure including capitalized interest thereon (to the parties other than Brookfield REIT), capitalized overheads, etc.	(238.70)	(379.08)	(3.02)	(84.28)	(210.67)	(915.75)
10	Add/(Less): Net debt (repayment)/ drawdown/ (redemption) of preference shares/ debentures/ any other such instrument/ premiums/accrued interest/ any other obligations/ liabilities etc., to parties other than Brookfield REIT, as may be deemed necessary by the Manager.	12,365.05	1,592.15	-	1,808.50	(5,627.38)	10,138.32
11	Add: Cash inflows in relation to equity/ non-refundable advances, etc.	-	-	-	-	-	-
12	Less: Any dividends on or proceeds from repayments or redemptions or buy-backs or capital reduction of shares (including compulsory convertible instruments), held by anyone other than the Brookfield REIT (either directly or indirectly), and any taxes thereon (including any dividend distribution tax or buy back distribution tax, etc., if applicable).	-	-	-	-	-	-
	<b>Total adjustments (B)</b>	<b>15,859.08</b>	<b>2,081.15</b>	<b>78.98</b>	<b>3,098.57</b>	<b>257.37</b>	<b>21,375.15</b>
	<b>NDCF (C) = (A+B)</b>	<b>15,344.23</b>	<b>1,962.01</b>	<b>117.98</b>	<b>2,543.91</b>	<b>242.49</b>	<b>20,210.62</b>

\*NDCF for the year ending 31 March 2022 includes NDCF for the period 08 February 2021 to 31 March 2021 amounting to Rs. 759.47 million which has been included in other adjustment.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2023

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2023

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
**(All amounts are in Rupees millions unless otherwise stated)**

**1 Organization structure**

The Consolidated Financial Statements ('Consolidated Financial Statements') comprise financial statements of Brookfield India Real Estate Trust ('Brookfield India REIT' or 'Trust') and its subsidiaries namely Shantiniketan Properties Private Limited ('SPPL Noida'), Candor Kolkata One Hi-Tech Structures Private Limited ('Candor Kolkata'), Festus Properties Private Limited ('Festus'), Seaview Developers Private Limited ('SDPL Noida') and Candor India Office Parks Private Limited ('CIOP') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Brookfield India REIT Portfolio companies' or 'Group'). The SPVs are companies domiciled in India.

Brookprop Management Services Private Limited (the 'Settlor') has set up the Brookfield India Real Estate Trust on 17 July 2020, as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 14 September 2020 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Brookfield India Real Estate Trust is Axis Trustee Services Limited (the 'Trustee') and the Manager for Brookfield India Real Estate Trust is Brookprop Management Services Private Limited (the 'Manager').

The objectives of Brookfield India REIT is to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of Brookfield India REIT is to own and invest in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders.

**Activities during the period ended 31 March 2021:**

Brookfield India REIT acquired the following SPVs by acquiring all the equity interest held by the Sponsor and certain members of Sponsor Group (refer note 43) on 08 February 2021. In exchange for these equity interests, the above shareholders have been allotted 127,892,403 Units of Brookfield India REIT valued at Rs. 275/- each.

Brookfield India REIT went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the successful applicants on 08 February 2021 and 11 February 2021.

All these Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 16 February 2021.

The brief activities and shareholding pattern of the SPVs are provided below:

<u>Name of SPV</u>	<u>Activities</u>	<u>Shareholding up to 07 February 2021 (in percentage)</u>	<u>Shareholding from 08 February 2021 (in percentage)</u>
SPPL Noida	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS sector in Sector 62, Noida, Uttar Pradesh.	BSREP India Office Holdings Pte. Ltd.: 100% BSREP Moon C1 L.P.: 0.00% (10 Shares)	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 share) (as nominee of Brookfield India REIT)
Candor Kolkata	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in New Town, Rajarhat, Kolkata and Sector 21, Dundaheera Gurugram.	BSREP India Office Holdings V Pte. Ltd.: 99.97% BSREP India Office Holdings Pte. Ltd.: 0.03%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 share) (as nominee of Brookfield India REIT)
CIOP	Providing management related service including facilities management service and property management services.	BSREP Moon C1 L.P.: 99.99% BSREP Moon C2 L.P. : 0.01%	Brookfield India REIT : 100% Candor Kolkata One Hi-Tech Structures Private Limited : 0.00% (1 share) (as nominee of Brookfield India REIT)
Festus	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in Powai, Mumbai.	Kairos Property Managers Pvt. Ltd.:10.76% BSREP II India Office Holdings II Pte. Ltd.:89.24%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 share) (as nominee of Brookfield India REIT)

**Activities during the previous year ended 31 March 2022:**

Brookfield India REIT acquired the following Special Purpose Vehicle ('SPV') by acquiring all the equity interest held by certain members of Sponsor Group (refer note 43) on 24 January 2022. In exchange for these equity interests, the above shareholders have been paid cash of Rs. 8,334.57 million and allotted 15,463,616 Units of Brookfield India REIT valued at Rs. 294.25 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 01 February 2022.

<u>Name of SPV</u>	<u>Activities</u>	<u>Shareholding up to 23 January 2022 (in percentage)</u>	<u>Shareholding from 24 January 2022 (in percentage)</u>
Seaview Developers Private Limited ('SDPL Noida')	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in Sector 135, Noida, Uttar Pradesh.	BSREP India Office Holding IV Pte. Ltd.: 99.96% BSREP India Office Holdings Pte. Ltd.: 0.04%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 share) (as nominee of Brookfield India REIT)

# Brookfield India Real Estate Trust

## Consolidated Financial Statements

### Notes to the Consolidated financial statements

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## 2. Basis of preparation and significant accounting policies

### 2.1 Basis of preparation of Consolidated financial statements

The Consolidated Financial Statements of Brookfield India REIT comprises

- the Consolidated Balance Sheet,
- the Consolidated Statement of Profit and Loss (including other comprehensive income),
- the Consolidated Statement of Cash Flows
- the Consolidated Statement of Changes in Unitholders' Equity,
- a summary of significant accounting policies and other explanatory information.

Additionally, it includes the Statement of Net Assets at Fair Value, the Statement of Total Returns at Fair Value, the Statement of Net Distributable Cash Flow of Brookfield India REIT and each of the SPVs and other additional financial disclosures as required under the SEBI (Real Estate Investment Trusts) Regulations, 2014. The Consolidated Financial Statements were authorized for issue in accordance with resolutions passed by the Board of Directors of the Manager on behalf of the Brookfield India REIT on 18 May 2023. The Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time read with the SEBI circular number CIR/IMD/DF/146/2016 dated 29 December 2016 ("REIT Regulations"); Indian Accounting Standard, as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') to the extent not inconsistent with the REIT Regulations (refer note 15(a)(i) on 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.

The Consolidated Financial Statements are presented in Indian Rupees in Millions, except when otherwise indicated.

#### Statement of compliance to Ind AS:

These Consolidated financial statements for the year ended 31 March 2023 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the REIT regulations as more fully described above and in Note 15(a)(i) to the consolidated financial statements.

### 2.2 Significant accounting policies

#### a) Basis of Consolidation

The Brookfield India REIT consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Brookfield India REIT and its subsidiary SPVs as disclosed in Note 1. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The procedure adopted for preparing Consolidated Financial Statements of Brookfield India REIT is stated below:

- i) The Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 - Consolidated Financial Statements.



## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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- ii) The financial statements of the Group are consolidated by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows.
- iii) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of Brookfield India REIT are eliminated in full;
- iv) The figures in the notes to accounts and disclosures have been Consolidated line by line and intragroup transactions and balances including unrealized profit are eliminated in full on consolidation.

#### **b) Functional and presentation currency**

The Consolidated Financial Statements are presented in Indian rupees, which is Brookfield India REIT's functional currency and the currency of the primary economic environment in which Brookfield India REIT operates. All financial information presented in Indian rupees has been rounded off to nearest million except unit and per unit data.

#### **c) Basis of measurement**

The Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

The Consolidated Financial Statements have been prepared on a going concern basis.

#### **d) Use of judgments and estimates**

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles in India (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.

Estimates 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 (Note 15)
- (ii) determination of useful life of investment property (Note 2.2 (g))
- (iii) determination of recoverable amount / fair value of investment property (Note 2.2 (g), and Note 46), Statement of Net Assets at Fair Value, Statement of Total Return at Fair Value
- (iv) determination of lease term (Note 2.2 (n))
- (v) recognition / recoverability of deferred tax assets (Note 2.2 (p)) and note 45.

#### **e) Current versus non-current classification**

Brookfield India REIT presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification:

An asset is classified as current when it satisfies any of the following criteria:

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Brookfield India REIT classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in normal operating cycle of Brookfield India REIT;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Brookfield India REIT does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Brookfield India REIT classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/ liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **f) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Brookfield India REIT takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurement framework is adopted by Brookfield India REIT to determine the fair value of various assets and liabilities measured or disclosed at fair value.

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the Consolidated financial statements**

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**g) Investment properties**

*Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, import duties and other non-refundable purchase taxes, borrowing costs directly attributable to the development and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in Statement of profit and loss.

*Depreciation*

Investment property is depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of the investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	4 - 15
Furniture and Fixtures	5 - 12
Electrical fittings	4 - 15
Diesel generator sets	15 - 25
Air conditioners	15
Office Equipment	5 - 12
Kitchen Equipment	5
Computers	3 - 6
Right of Use (Leasehold Land)	As per lease term

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the Consolidated financial statements**

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The fair value of investment property is disclosed in the statement of net assets at fair value. Fair values are determined by an independent registered valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**h) Property, plant and equipment and intangible assets**

*Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of a property, plant and equipment is recognized in Statement of profit and loss.

*Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

Estimated useful lives of items of property, plant and equipment are tabulated as follows: -

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the Consolidated financial statements**

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	5 - 20
Furniture and Fixtures	3 - 14
Electrical fittings	10
Air conditioners	3 - 15
Office Equipment	3 - 15
Kitchen Equipment	3 - 5
Vehicle	8
Computers	3 - 14
Computer Software	5

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of 5 years, which represents the period over which the Brookfield India REIT expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

**i) Impairment of non-financial assets**

Brookfield India REIT assesses, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Brookfield India REIT estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the Consolidated Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the Consolidated Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **j) Foreign currency transactions**

Items included in the financial statements of the Brookfield India REIT are measured using the currency of the primary economic environment in which the Brookfield India REIT operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Brookfield India REIT functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the Statement of profit and loss.

#### **k) Errors, estimates and change in accounting policies**

The Brookfield India REIT revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the Consolidated Financial Statements. Changes in accounting policies are applied retrospectively, wherever applicable.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

#### **l) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **(i) Financial Assets - Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

##### **• Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

#### **• Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss is recognized in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

#### **• Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Brookfield India REIT may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Brookfield India REIT has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

#### **• Equity instruments measured at fair value through other comprehensive income (FVOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Brookfield India REIT may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Brookfield India REIT makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Brookfield India REIT decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Brookfield India REIT may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

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#### **(ii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Brookfield India REIT balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Brookfield India REIT has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Brookfield India REIT has transferred substantially all the risks and rewards of the asset, or (b) the Brookfield India REIT has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **(iii) Impairment of financial assets**

Brookfield India REIT recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date, is recognized as an impairment gain or loss in the Statement of profit and loss.

Trade Receivables are generally written off against the allowance only after all means of collection have been exhausted and the potential for recovery is considered remote.

#### **(iv) Financial liabilities – Recognition and Subsequent measurement**

Brookfield India REIT financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

Brookfield India REIT financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

##### **• Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Brookfield India REIT that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are



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satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Brookfield India REIT may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Brookfield India REIT has not designated any financial liability as at fair value through profit or loss.

#### **• Financial liabilities at amortized cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### **(v) Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

#### **(vi) Income/loss recognition**

##### **• Interest income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Brookfield India REIT estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### **• Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The Brookfield India REIT considers practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

#### **(vii) Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

#### **m) Leases**

At inception of a contract, the Brookfield India REIT assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Brookfield India REIT assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Brookfield India REIT has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Brookfield India REIT has the right to direct the use of the asset. The Brookfield India REIT has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Brookfield India REIT has the right to direct the use of the asset if either:
  - the Brookfield India REIT has the right to operate the asset; or
  - the Brookfield India REIT designed the asset in a way that predetermines how and for what purpose it will be used.

#### **As a lessee**

The Brookfield India REIT recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the

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lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Brookfield India REIT's incremental borrowing rate. Generally, the Brookfield India REIT uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Brookfield India REIT is reasonably certain to exercise, lease payments in an optional renewal period if the Brookfield India REIT is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Brookfield India REIT is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Brookfield India REIT's estimate of the amount expected to be payable under a residual value guarantee, or if the Brookfield India REIT changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Brookfield India REIT presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities (current and non-current) in the statement of financial position.

The Brookfield India REIT has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Brookfield India REIT recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **As a Lessor**

The Brookfield India REIT enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Brookfield India REIT is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Brookfield India REIT is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Brookfield India REIT's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Brookfield India REIT's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Brookfield India REIT applies Ind AS 115 to allocate the consideration under the contract to each component.

#### **n) Revenue recognition**

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and Services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

##### *i. Income from Operating Lease Rentals*

Assets given under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, management considers all facts and circumstances including renewal, termination and market conditions.

Income from Operating Lease Rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

##### *ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when the entity has satisfied its performance obligation by delivering services as per terms of contract entered into with tenants.

#### **o) Employee benefits**

Employee benefits include provident fund, gratuity and compensated absences.

##### *Provident fund*

The Brookfield India REIT 's contribution to provident fund is considered as defined contribution plans and is charged as an expense in statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

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#### *Gratuity*

Brookfield India REIT has an obligation towards gratuity, a defined post-employment benefits plan covering eligible employees. The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method; with actuarial valuations being carried out at each balance sheet date. Remeasurements comprising actuarial gains and losses are recognized immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Brookfield India REIT recognizes related restructuring costs or termination benefits, whichever is earlier.

#### *Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### *Other Long-term employee benefits*

The employees of the Brookfield India REIT are entitled to other long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

### **p) Taxation**

Income tax expense comprises current and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

#### *(i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Consolidated Statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Brookfield India REIT will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### (ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Brookfield India REIT is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, Brookfield India REIT recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets—unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Brookfield India REIT expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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#### **q) Provisions and contingencies**

A provision is recognized when the Brookfield India REIT has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Brookfield India REIT or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Brookfield India REIT does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

#### **r) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

##### ***Identification of segments:***

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and assess their performance. An operating segment is a component of the Brookfield India REIT that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Brookfield India REIT's other components.

Based on an analysis of Brookfield India REIT's structure and powers conferred to the Manager to Brookfield India REIT, the Governing Board of the Manager (Brookprop Management Services Private Limited) has been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Brookfield India REIT is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

#### **s) Subsequent events**

The Consolidated Financial Statements are prepared after reflecting adjusting and non-adjusting events that occur after the reporting period but before the Consolidated Financial Statements are authorized for issue.

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**t) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**u) Earnings per unit**

Basic earnings per unit are calculated by dividing the net profit / (loss) for the period attributable to unit holders of the Brookfield India REIT by the weighted average number of units outstanding during the period.

For the purpose of calculating diluted earnings per unit, the profit or loss for the period attributable to unit holders of the Brookfield India REIT and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Dilutive potential units are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per unit, only potential equity units that are dilutive and which either reduces earnings per unit or increase loss per units are included.

**v) Business Combination/Asset Acquisition**

The amendment to Ind AS 103 Business Combinations clarifies 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 SPVs. Refer Note 47 of the financial statements for details.

**w) Consolidated Statement of Cash flows**

Consolidated Cash flows are reported using the indirect method, whereby Profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits.

**x) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the



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amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### **y) Cash distribution to Unitholders**

The Brookfield India REIT recognizes a liability to make cash distributions to Unitholders when the distribution is authorized and a legal obligation has been created. As per the REIT Regulations, a distribution is authorized when it is approved by the Board of Directors of the Manager. A corresponding amount is recognized directly in equity.

#### **z) Income support**

The income support that is an integral part of an acquisition transaction is treated as deduction in the acquisition cost of such investment property. Where the right to receive the income support is spread over a period of time, the right to receive the income support is recognized as a financial asset at fair value and subsequently measured at fair value through profit or loss.

#### **za) Recent accounting pronouncements**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Brookfield India REIT does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Brookfield India REIT does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Brookfield India REIT does not expect this amendment to have any significant impact in its financial statements.

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3 Property, plant and equipment and Intangible assets

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 01 April 2022	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2023	Balance as at 01 April 2022	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
<b>Assets (site)</b>										
Air conditioner	0.07	-	-	0.07	0.07	-	-	0.07	-	-
Computers	0.09	-	-	0.09	0.08	-	-	0.08	0.01	0.01
Plant and machinery	0.02	-	-	0.02	0.02	-	-	0.02	-	-
Furniture and fixtures	1.47	-	-	1.47	1.21	0.21	-	1.42	0.05	0.26
Office equipment	0.41	-	-	0.41	0.29	0.07	-	0.36	0.05	0.12
<b>Sub total</b>	<b>2.06</b>	<b>-</b>	<b>-</b>	<b>2.06</b>	<b>1.67</b>	<b>0.28</b>	<b>-</b>	<b>1.95</b>	<b>0.11</b>	<b>0.39</b>
<b>Assets (maintenance)</b>										
Air conditioner	4.32	2.41	-	6.73	0.79	1.06	-	1.85	4.88	3.53
Plant and machinery	126.74	39.14	-	165.88	8.98	12.83	-	21.81	144.07	117.76
Furniture and fixtures	33.15	4.91	-	38.06	5.96	5.13	-	11.09	26.97	27.19
Office equipment	8.38	7.36	-	15.74	2.99	2.49	-	5.48	10.26	5.39
Electrical fittings	0.60	-	-	0.60	0.08	0.07	-	0.15	0.45	0.52
Kitchen Equipments	0.16	-	-	0.16	0.04	0.06	-	0.10	0.06	0.12
<b>Sub total</b>	<b>173.35</b>	<b>53.82</b>	<b>-</b>	<b>227.17</b>	<b>18.84</b>	<b>21.64</b>	<b>-</b>	<b>40.48</b>	<b>186.69</b>	<b>154.51</b>
<b>TOTAL</b>	<b>175.41</b>	<b>53.82</b>	<b>-</b>	<b>229.23</b>	<b>20.51</b>	<b>21.92</b>	<b>-</b>	<b>42.43</b>	<b>186.80</b>	<b>154.90</b>
<b>Intangible Assets</b>										
Softwares	0.46	-	-	0.46	0.33	0.12	-	0.45	0.01	0.13
<b>GRAND TOTAL</b>	<b>175.87</b>	<b>53.82</b>	<b>-</b>	<b>229.69</b>	<b>20.84</b>	<b>22.04</b>	<b>-</b>	<b>42.88</b>	<b>186.81</b>	<b>155.03</b>

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance as at 01 April 2021	Additions due to assets acquisition*	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 01 April 2021	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>Assets (site)</b>											
Air conditioner	0.07	-	-	-	0.07	-	0.07	-	0.07	-	0.07
Computers	0.08	0.01	-	-	0.09	-	0.08	-	0.08	0.01	0.08
Plant and machinery	0.02	-	-	-	0.02	-	0.02	-	0.02	-	0.02
Furniture and fixtures	1.43	0.04	-	-	1.47	0.09	1.12	-	1.21	0.26	1.34
Office equipment	0.28	0.13	-	-	0.41	0.00	0.29	-	0.29	0.12	0.28
<b>Sub total</b>	<b>1.88</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>2.06</b>	<b>0.09</b>	<b>1.58</b>	<b>-</b>	<b>1.67</b>	<b>0.39</b>	<b>1.79</b>
<b>Assets (maintenance)</b>											
Air conditioner	3.11	1.28	0.06	(0.13)	4.32	0.07	0.72	-	0.79	3.53	3.04
Plant and machinery	66.54	26.51	33.87	(0.18)	126.74	1.02	7.96	-	8.98	117.76	65.52
Furniture and fixtures	26.69	0.87	5.59	-	33.15	0.89	5.07	-	5.96	27.19	25.80
Office equipment	4.87	0.39	3.12	-	8.38	0.52	2.47	-	2.99	5.39	4.35
Electrical fittings	0.60	-	-	-	0.60	0.01	0.07	-	0.08	0.52	0.59
Kitchen Equipments	0.08	0.08	0.00	-	0.16	0.00	0.04	-	0.04	0.12	0.08
<b>Sub total</b>	<b>101.89</b>	<b>29.13</b>	<b>42.64</b>	<b>(0.31)</b>	<b>173.35</b>	<b>2.51</b>	<b>16.33</b>	<b>-</b>	<b>18.84</b>	<b>154.51</b>	<b>99.38</b>
<b>TOTAL</b>	<b>103.77</b>	<b>29.31</b>	<b>42.64</b>	<b>(0.31)</b>	<b>175.41</b>	<b>2.60</b>	<b>17.91</b>	<b>-</b>	<b>20.51</b>	<b>154.90</b>	<b>101.17</b>
<b>Intangible Assets</b>											
Softwares	0.46	-	-	-	0.46	0.04	0.29	-	0.33	0.13	0.42
<b>GRAND TOTAL</b>	<b>104.23</b>	<b>29.31</b>	<b>42.64</b>	<b>(0.31)</b>	<b>175.87</b>	<b>2.64</b>	<b>18.20</b>	<b>-</b>	<b>20.84</b>	<b>155.03</b>	<b>101.59</b>

\*Above assets have been acquired as part of SDPL Noida assets acquisition. Refer note 2.1 basis for consolidation and note 47 (ii).

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4 Investment property

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance As at 01 April 2022	Additions during the year	Deletions/ Adjustments	Balance As at 31 March 2023	Balance As at 01 April 2022	Charge for the year	Deletions/ Adjustments	Balance As at 31 March 2023	Balance As at 31 March 2023	As at 31 March 2022
<b>Assets (constructed), given/expected to be given on operating lease</b>										
Freehold land	25,580.44	-	-	25,580.44	-	-	-	-	25,580.44	25,580.44
Buildings#	104,244.70	1,911.26	(374.11)	105,781.85	1,660.40	2,029.33	(64.34)	3,625.39	102,156.46	102,584.30
Air conditioners	1,923.86	99.13	-	2,022.99	191.34	226.08	-	417.42	1,605.57	1,732.52
Electrical fittings & equipment	1,262.09	73.05	-	1,335.14	183.98	191.32	-	375.30	959.84	1,078.11
Plant and machinery	1,338.51	46.87	-	1,385.38	137.67	141.65	-	279.32	1,106.06	1,200.84
Diesel generator sets	939.39	4.37	-	943.76	107.07	116.43	-	223.50	720.26	832.32
Furniture and fixtures	308.42	11.41	-	319.83	73.78	54.85	-	128.63	191.20	234.64
Right of use (leasehold land)	1,129.49	592.07	-	1,721.56	8.60	19.08	-	27.68	1,693.88	1,120.89
Office Equipment	18.45	6.09	-	24.54	5.62	3.61	-	9.23	15.31	12.83
Computers	1.19	1.33	-	2.52	0.41	0.58	-	0.99	1.53	0.78
<b>Sub total</b>	<b>136,746.54</b>	<b>2,745.58</b>	<b>(374.11)</b>	<b>139,118.01</b>	<b>2,368.87</b>	<b>2,782.93</b>	<b>(64.34)</b>	<b>5,087.46</b>	<b>134,030.55</b>	<b>134,377.67</b>
<b>Assets (food court), given/expected to be given on operating lease</b>										
Air conditioner	7.05	-	-	7.05	1.00	0.87	-	1.87	5.18	6.05
Furniture & fixtures	31.08	-	-	31.08	11.20	10.11	-	21.31	9.77	19.88
Plant and machinery	4.81	-	-	4.81	0.68	0.59	-	1.27	3.54	4.13
Office equipment	2.18	-	-	2.18	0.66	0.55	-	1.21	0.97	1.52
Kitchen equipment	13.45	-	-	13.45	2.72	3.97	-	6.69	6.76	10.73
Computers	0.20	-	-	0.20	0.20	0.00	-	-	-	0.00
<b>Sub total</b>	<b>58.77</b>	<b>-</b>	<b>-</b>	<b>58.77</b>	<b>16.46</b>	<b>16.09</b>	<b>-</b>	<b>32.55</b>	<b>26.22</b>	<b>42.31</b>
<b>Sub total - Investment Property</b>	<b>136,805.31</b>	<b>2,745.58</b>	<b>(374.11)</b>	<b>139,176.78</b>	<b>2,385.33</b>	<b>2,799.02</b>	<b>(64.34)</b>	<b>5,120.01</b>	<b>134,056.77</b>	<b>134,419.98</b>
<b>Investment property - under development**</b>										
Capital work in progress	1,745.46	1,345.09	(1,873.61)	1,216.94	-	-	-	-	1,216.94	1,745.46
<b>Sub total - Investment Property under development</b>	<b>1,745.46</b>	<b>1,345.09</b>	<b>(1,873.61)</b>	<b>1,216.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,216.94</b>	<b>1,745.46</b>
<b>Total</b>	<b>138,550.77</b>	<b>4,090.67</b>	<b>(2,247.72)</b>	<b>140,393.72</b>	<b>2,385.33</b>	<b>2,799.02</b>	<b>(64.34)</b>	<b>5,120.01</b>	<b>135,273.71</b>	<b>136,165.44</b>

Buildings net block includes Rs. 35,179.71 millions (31 March 2022: Rs. 36,071.94 million), held under co-development agreement as fully described in Note 36 (Capital Commitments).

\*\* The amount of Rs. 1,873.61 million shown under "Deletions/ Adjustments" represents capitalization during the year.

#The amount of Rs. 374.11 million and Rs. 64.34 million shown under "Deletions/Adjustments" under "Gross Block" and "Accumulated depreciation" respectively represents adjustment to cost due to refund received during the year on account of excess statutory charges paid and capitalized in earlier years.

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Particulars	Gross block				Accumulated depreciation				Net block		
	Balance As at 01 April 2021	Additions due to assets acquisition*	Additions during the year	Deletions/ Adjustments	Balance As at 31 March 2022	Balance As at 01 April 2021	Charge for the year	Deletions/ Adjustments	Balance As at 31 March 2022	Balance As at 31 March 2022	As at 31 March 2021
<b>Assets (constructed), given/expected to be given on operating lease</b>											
Freehold land	25,580.44	-	-	-	25,580.44	-	-	-	-	25,580.44	25,580.44
Buildings	70,578.81	32,927.10	738.79	-	104,244.70	205.04	1,455.36	-	1,660.40	102,584.30	70,373.77
Air conditioners	1,209.98	638.01	75.87	-	1,923.86	22.77	168.57	-	191.34	1,732.52	1,187.21
Electrical fittings & equipment	806.00	378.42	77.67	-	1,262.09	30.92	153.06	-	183.98	1,078.11	775.08
Plant and machinery	880.66	412.69	45.16	-	1,338.51	17.91	119.76	-	137.67	1,200.84	862.75
Diesel generator sets	651.23	285.95	2.21	-	939.39	12.98	94.09	-	107.07	832.32	638.25
Furniture and fixtures	262.98	29.08	16.36	-	308.42	21.22	52.56	-	73.78	234.64	241.76
Right of use (leasehold land)	459.96	669.53	-	-	1,129.49	0.87	7.73	-	8.60	1,120.89	459.09
Office Equipment	16.87	0.60	0.98	-	18.45	1.01	4.61	-	5.62	12.83	15.86
Computers	1.14	0.04	0.01	-	1.19	0.06	0.35	-	0.41	0.78	1.08
<b>Sub total</b>	<b>100,448.07</b>	<b>35,341.42</b>	<b>957.05</b>	<b>-</b>	<b>136,746.54</b>	<b>312.78</b>	<b>2,056.09</b>	<b>-</b>	<b>2,368.87</b>	<b>134,377.67</b>	<b>100,135.29</b>
<b>Assets (food court), given/expected to be given on operating lease</b>											
Air conditioner	7.05	-	-	-	7.05	0.13	0.87	-	1.00	6.05	6.92
Furniture & fixtures	29.67	1.41	-	-	31.08	1.43	9.77	-	11.20	19.88	28.24
Plant and machinery	4.81	-	-	-	4.81	0.09	0.59	-	0.68	4.13	4.72
Office equipment	2.12	0.06	-	-	2.18	0.08	0.58	-	0.66	1.52	2.04
Kitchen equipment	2.52	1.14	9.79	-	13.45	0.17	2.55	-	2.72	10.73	2.35
Computers	0.20	-	-	-	0.20	-	0.20	-	0.20	0.00	0.20
<b>Sub total</b>	<b>46.37</b>	<b>2.61</b>	<b>9.79</b>	<b>-</b>	<b>58.77</b>	<b>1.90</b>	<b>14.56</b>	<b>-</b>	<b>16.46</b>	<b>42.31</b>	<b>44.47</b>
<b>Sub total - Investment Property</b>	<b>100,494.44</b>	<b>35,344.03</b>	<b>966.84</b>	<b>-</b>	<b>136,805.31</b>	<b>314.68</b>	<b>2,070.65</b>	<b>-</b>	<b>2,385.33</b>	<b>134,419.98</b>	<b>100,179.76</b>
<b>Investment property - under development**</b>											
Capital work in progress	791.74	1,110.75	724.77	(881.80)	1,745.46	-	-	-	-	1,745.46	791.74
<b>Sub total - Investment Property under development</b>	<b>791.74</b>	<b>1,110.75</b>	<b>724.77</b>	<b>(881.80)</b>	<b>1,745.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,745.46</b>	<b>791.74</b>
<b>Total</b>	<b>101,286.18</b>	<b>36,454.78</b>	<b>1,691.61</b>	<b>(881.80)</b>	<b>138,550.77</b>	<b>314.68</b>	<b>2,070.65</b>	<b>-</b>	<b>2,385.33</b>	<b>136,165.44</b>	<b>100,971.50</b>

\*Above assets have been acquired as part of SDPL Noida assets acquisition. Refer note 2.1 basis for consolidation and note 47 (ii).

\*\* The amount of Rs. 881.80 million shown under "Deletions/ Adjustments" represents capitalization during the year.

**Note:**

(i) Borrowing costs capitalized during the year amounts to Rs. 40.73 million (31 March 2022: Rs. 30.13 million) (refer note 31). The rate used to determine the amount of borrowing costs eligible for capitalization was 9.70% (31 March 2022 : 10.45%) for SPPL Noida, 9.20% (31 March 2022: 10.35%) for Candor Kolkata and 9.10% (31 March 2022 : 8.63%) for SDPL Noida.

(ii) The fair value of investment property (including under development) as at 31 March 2023 amounts to Rs. 1,63,729.00 million (31 March 2022: Rs. 1,60,361.00 million) as per valuations performed by external registered property valuers who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. 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 sq. ft. 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 vs secondary), tenant credit quality, lease terms and investors expected return. The fair value measurement of investment property has been categorized as Level 3.

(iii) Refer Note 36 for disclosure of contractual commitments for purchase, construction or development of investment property.

(iv) Refer note 17(a) in respect of investment property given as security in respect of secured borrowing taken from banks/others.

(v) Candor Kolkata has received reimbursement from its customers for certain assets constructed / acquired on the specific requirement of the customer. The cost of the assets are included in fixed assets and the reimbursement has been disclosed as deferred income (also refer note 20 and 25).

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**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**  
(vi) Capital work in progress (CWIP) aging schedule :

As at 31 March 2023	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
Projects in progress*	579.82	14.22	37.43	585.47	1,216.94
Projects temporarily suspended	-	-	-	-	-

\* Includes CWIP of Rs. 473.62 million where the original budget and timelines are under finalization.

As at 31 March 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
Projects in progress*	395.16	250.04	406.01	694.25	1,745.46
Projects temporarily suspended	-	-	-	-	-

\* Includes CWIP of Rs. 423.55 million where the original budget and timelines are under finalization.

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

(vii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below as of 31 March 2023 and 31 March 2022 :

As at 31 March 2023	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
Projects in progress					
Nil	-	-	-	-	-

As at 31 March 2022	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
Projects in progress					
MLCP	1,003.08	-	-	-	1,003.08

(viii) Information regarding income and expenditure of Investment property

Rental and maintenance income derived from investment property

Less: Direct operating expenses generating rental income\*

Profit arising from investment property before depreciation and indirect expenses

\* No direct operating expenses have been incurred during the reporting period that did not generate rental income.

For the year ended 31 March 2023	For the year ended 31 March 2022
11,899.94	8,739.34
(3,029.83)	(2,013.66)
<b>8,870.11</b>	<b>6,725.68</b>

(ix) Reconciliation for total depreciation expense:

Total depreciation on property, plant and equipment for the year

Total depreciation on investment property for the year

Less:- Depreciation during the construction period on site assets - capitalized

Less:- Depreciation during the construction period on Right of use (leasehold land)

**Depreciation expense for the year**

For the year ended 31 March 2023	For the year ended 31 March 2022
22.04	18.20
2,734.68	2,070.65
(0.28)	(1.58)
(4.42)	(2.50)
<b>2,752.02</b>	<b>2,084.77</b>

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	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>5 Non current financial assets - Other</b>		
(Unsecured and considered good)		
Security deposits	555.32	589.77
Fixed deposits with banks*	13.12	2.23
Interest accrued but not due on fixed deposits with banks	0.67	0.04
Lease rent equalization**	229.18	166.50
<b>To related parties (refer note 43)</b>		
Finance receivables #	-	678.79
	<b>798.29</b>	<b>1,437.33</b>

\*These fixed deposits are of restricted use being lien against debt service reserve account, bank guarantees given to various authorities and given as security for sales tax registration.

\*\*Lease rent equalization are classified as Financial asset as right to consideration is unconditional and is due only after passage of time.

# Finance receivables represents income support guarantee received from a related party in respect of tenancy level of investment properties of SDPL Noida in connection with its acquisition by Brookfield India REIT (refer note 47 (ii)), where the right to receive the income support is spread over a period of time starting from 01 January 2022 and ending on 31 March 2024. The income support guarantee is recognized as a financial asset at fair value through profit and loss.

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>6 Deferred tax asset (net)*</b>		
Deferred tax asset (net)	3,690.79	3,755.46
	<b>3,690.79</b>	<b>3,755.46</b>

The Group has recognized deferred tax asset of Rs. 3,521.29 million (31 March 2022: Rs. 2,921.36 million) on unabsorbed depreciation & business losses and Rs. 1,253.92 million (31 March 2022: Rs. 1,253.92 million) on MAT credit entitlement, considering the deferred tax liability on existing taxable temporary differences in respective SPVs that will reverse in the future and estimated taxable income for future years. The amount of deferred tax assets considered realizable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

\* Refer note 45

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>7 Non-current tax assets (net)</b>		
Advance income tax	2,129.84	2,416.27
	<b>2,129.84</b>	<b>2,416.27</b>

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>8 Other non-current assets</b>		
(Unsecured and considered good)		
Capital advances	19.20	19.27
Prepaid expenses	104.04	142.16
Balance recoverable from government authorities	5.24	14.11
	<b>128.48</b>	<b>175.54</b>

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>9 Current financial assets - Trade receivables</b>		
Trade receivables considered good - unsecured	239.04	224.88
Trade receivables - credit impaired	25.00	68.26
Less: loss allowance	(25.00)	(68.26)
	<b>239.04</b>	<b>224.88</b>

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021**

As at 31 March 2023

**Trade receivables ageing Schedule:**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	139.70	20.01	12.01	20.17	47.15	239.04
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	0.01	0.17	0.48	24.34	25.00
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
<b>Gross receivables</b>	-	<b>139.70</b>	<b>20.02</b>	<b>12.18</b>	<b>20.65</b>	<b>71.49</b>	<b>264.04</b>
Less: loss allowance							(25.00)
<b>Net Carrying Value</b>							<b>239.04</b>

As at 31 March 2022

**Trade receivables ageing Schedule:**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	91.11	3.80	42.22	46.31	41.44	224.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	0.36	0.00	4.03	42.77	21.10	68.26
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
<b>Gross receivables</b>	-	<b>91.47</b>	<b>3.80</b>	<b>46.25</b>	<b>89.08</b>	<b>62.54</b>	<b>293.14</b>
Less: loss allowance							(68.26)
<b>Net Carrying Value</b>							<b>224.88</b>

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	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>10 Current financial assets - Cash and cash equivalents</b>		
Balance with banks :		
- in current account	38.05	193.65
- in deposit account (with original maturity of 3 months or less)	2,058.50	1,850.00
	<b>2,096.55</b>	<b>2,043.65</b>

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>11 Current financial assets - Other bank balances</b>		
Deposit account with original maturity of more than 3 months and upto 12 months*	483.64	506.49
	<b>483.64</b>	<b>506.49</b>

\* These fixed deposits are of restricted use being lien against debt service reserve account, bank guarantees given to various authorities and given as security for sales tax registration.

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>12 Current financial assets - Loans</b>		
<b>To parties other than related parties</b> (Unsecured and considered doubtful)		
Advances to vendors	0.36	0.36
Less: loss allowance	(0.36)	(0.36)
	-	-
Loans receivables - credit impaired	0.36	0.36
Less: loss allowance	(0.36)	(0.36)
	-	-

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>13 Current financial assets - Other</b> (Unsecured and considered good)		
<b>To parties other than related parties</b>		
Security deposits	0.01	0.01
Unbilled revenue*	276.75	159.01
Interest accrued but not due on fixed deposits with banks	3.84	14.37
Lease rent equalization*	96.69	51.18
Other receivables	93.95	47.39
<b>To related parties (refer note 43)</b>		
Other receivables	1.72	0.01
Finance receivables #	517.23	483.34
	<b>990.19</b>	<b>755.31</b>

\*Classified as financial asset as right to consideration is unconditional and is due only after passage of time.

# Finance receivables represents income support guarantee received from a related party in respect of tenancy level of investment properties of SDPL Noida in connection with its acquisition by Brookfield India REIT (refer note 47 (ii)), where the right to receive the income support is spread over a period of time starting from 01 January 2022 and ending on 31 March 2024. The income support guarantee is recognized as a financial asset at fair value through profit and loss.

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>14 Other current assets</b> (Unsecured and considered good)		
Advances to vendors*	39.23	33.01
Prepaid expenses	211.05	54.29
Balance recoverable from government authorities	139.36	135.16
Other Advances	-	0.12
	<b>389.64</b>	<b>222.58</b>

\* For related parties balance, refer note 43

	No. of Units	Amount
<b>15 Unit Capital</b>		
<b>Particulars</b>		
<b>As at 01 April 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>
Less: Distribution to Unitholders for the quarter ended 30 June 2021	-	(297.05)
Less: Distribution to Unitholders for the quarter ended 30 September 2021	-	(605.60)
Less: Distribution to Unitholders for the quarter ended 31 December 2021	-	(481.45)
Add: Reversal of issue expenses no longer payable (refer note iv below)	-	25.55
<b>Add: Units issued on preferential basis</b>		
- pursuant to the preferential allotment, issued, subscribed and fully paid-up in cash (refer note ii below)	16,821,856	4,949.83
- in exchange for equity interest in SPVs (refer note iii below)	15,463,616	4,550.17
Less: Expense incurred towards preferential allotment (refer note iv below)	-	(48.92)
<b>Closing balance as at 31 March 2022</b>	<b>335,087,073</b>	<b>89,867.31</b>
<b>As at 01 April 2022</b>	<b>335,087,073</b>	<b>89,867.31</b>
Less: Distribution to Unitholders for the quarter ended 31 March 2022	-	(720.44)
Less: Distribution to Unitholders for the quarter ended 30 June 2022	-	(857.82)
Less: Distribution to Unitholders for the quarter ended 30 September 2022	-	(861.17)
Less: Distribution to Unitholders for the quarter ended 31 December 2022	-	(871.23)
<b>Closing balance as at 31 March 2023</b>	<b>335,087,073</b>	<b>86,556.65</b>

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**(a) Terms/ rights attached to Units and accounting thereof**

(i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Investment Manager approves distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions in Indian Rupees.

Under the provisions of the REIT Regulations, Brookfield India REIT is required to distribute to Unitholders not less than 90% of the Net Distributable Cash Flows of Brookfield India REIT for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Brookfield India REIT to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unit Capital has been presented as "Equity" in order to comply with the requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

(ii) Preferential allotment of 16,821,856 Units for cash at price of Rs. 294.25 per unit aggregating to Rs. 4,949.83 was made during the year ended 31 March 2022. The preferential allotment was mainly used to fund the SDPL Noida acquisition, as more fully described in Note 47 (ii) (asset acquisition note).

(iii) Brookfield India REIT acquired the SPVs by acquiring all the equity interest held by our Sponsor and certain members of our Sponsor Group. The acquisition of equity interest in the SPVs has been done by issue of 127,892,403 Units of Rs. 275 each and 15,463,616 Units of Rs. 294.25 each during the period ended 31 March 2021 and year ended 31 March 2022 respectively, as per the table below.

Name of SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs		
	Sponsor	Sponsor Group (excluding Sponsor)	Total
<b>During the period ended 31 March 2021:</b>			
Candor Kolkata	54,117,888	16,364	54,134,252
Festus	-	31,474,412	31,474,412
SPPL Noida	-	41,483,012	41,483,012
CIOF	-	800,727	800,727
<b>During the previous year ended 31 March 2022:</b>			
SDPL Noida (refer note 1: Organizational structure)	-	15,463,616	15,463,616
<b>Total number of Units issued</b>	<b>54,117,888</b>	<b>89,238,131</b>	<b>143,356,019</b>

(iv) Expenses incurred pertaining to the Initial Public Offering (IPO), preferential allotment and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital in accordance with Ind AS 32 - Financial Instruments: Presentation.

**(b) Unitholders holding more than 5 percent Units in the Trust**

Name of Unitholders	As at 31 March 2023		As at 31 March 2022	
	No. of Units	% of holdings	No. of Units	% of holdings
BSREP India office Holdings V Pte. Ltd.	54,117,888	16.15%	54,117,888	16.15%
BSREP India Office Holdings Pte Ltd.	41,499,453	12.38%	41,499,373	12.38%
BSREP India Office Holdings III Pte. Ltd.	36,727,398	10.96%	36,727,398	10.96%
BSREP II India Office Holdings II Pte. Ltd.	31,474,412	9.39%	28,086,775	8.38%

(c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of registration till the balance sheet date. Further, in addition to the details disclosed above in note 15(a)(iii), the Trust has also issued 36,727,398 units to BSREP India Office III for acquiring compulsorily convertible debentures issued by Candor Kolkata from the date of registration till the balance sheet date.

**(d) Unitholding of sponsor group**

Name of Unitholders	As at 31 March 2023		As at 31 March 2022		% Change during the year ended 31 March 2023
	No. of Units	% of holdings	No. of Units	% of holdings	
BSREP India office Holdings V Pte. Ltd.	54,117,888	16.15%	54,117,888	16.15%	0.00%
BSREP India Office Holdings Pte Ltd.	41,499,453	12.38%	41,499,373	12.38%	0.00%
BSREP India Office Holdings III Pte. Ltd.	36,727,398	10.96%	36,727,398	10.96%	0.00%
BSREP II India Office Holdings II Pte. Ltd.	31,474,412	9.39%	28,086,775	8.38%	1.01%
Kairos Property Managers Private Limited	-	-	3,387,637	1.01%	-1.01%
BSREP Moon C1 L.P.	-	-	800,650	0.24%	-0.24%
BSREP Moon C2 L.P.	-	-	80	0.00%	-0.00%
BSREP India Office Holdings IV Pte. Ltd.	15,463,616	4.61%	15,463,616	4.61%	0.00%
BSREP India Office Holdings VI Pte. Ltd.	800,650	0.24%	-	-	0.24%

**16 Other Equity\***

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>Reserves and Surplus</b>		
Retained earnings	(3,219.27)	(1,046.38)
	<b>(3,219.27)</b>	<b>(1,046.38)</b>

\*Refer Consolidated Statement of Changes in Unitholders' Equity for detailed movement in other equity balances.

**Retained earnings**

The cumulative gain or loss arising from the operations which is retained by the Brookfield India REIT is recognized and accumulated under the heading of retained earnings. At the end of the period, the profit/(loss) after tax is transferred from the Statement of Profit and Loss to the retained earnings account.

**17 Non-current financial liabilities - Borrowings**

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>Secured</b>		
Term loan from financial institutions	54,520.38	51,655.34
Less:- Current maturities of long term borrowings (refer note 21)	(536.22)	(661.81)
<b>Total Borrowings</b>	<b>53,984.16</b>	<b>50,993.53</b>



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**(a) Terms for secured loan**  
**As at 31 March 2023**

**(i) HDFC Limited (balance as at 31 March 2023 : Rs. 26,775.18 million)**

Nature of Loan	Security	Terms of repayment
Lease rental discounting-I and Line of credit Interest @ PLR* less spread (Term : 12 Years)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of the Candor Kolkata on fully diluted basis.	Principal repayment (Lease rental discounting facility-I and Line of Credit):- Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at applicable interest rate. Principal repayment (Lease rental discounting facility-II): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 78 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at applicable interest rate. Principal repayment (Loan against property facility) : The facility shall be repaid in a single Monthly Instalment on or before 31 January 2027 comprising of principal repayment and interest payment at the applicable interest rate. Principal repayment (Construction Finance) : Upon completion of 60 months or earlier upon completion of the CF Period, from the first Drawdown Date, the Facility shall be repaid in 180 Monthly Installments comprising of principal Repayment and interest payment at the Applicable Rate of Interest. Interest payment: At the applicable rate of interest on the outstanding principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.
Lease rental discounting-II Interest @ PLR* less spread (Term : 12 Years)		
Loan against property Interest @ PLR* less spread (Term : 5 Years)		
Construction Finance (CF) Interest @ CF PLR* less spread (Term : 5 Year (CF)) Post CF Period : 15 Year)		

\*Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 115.09 million (b) Cash and cash equivalents - Rs. 144.80 million (c) Property, plant and equipment -Rs. 103.00 million and (d) Investment property - Rs. 57,926.46 million.

**(ii) HDFC Limited (balance as at 31 March 2023 : Rs. 4,023.05 million)**

Nature of Loan	Security	Terms of repayment
Lease Rental Discounting-I and Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of SPPL Noida on fully diluted basis.	Principal repayment (Lease Rental Discounting facility-I and Line of Credit): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at applicable interest rate. Principal repayment (Lease Rental Discounting facility-II): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 37 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.
Lease Rental Discounting-II Interest @ PLR* less spread (Term : 12 Year)		

\*Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 43.44 million, (b) Cash and cash equivalents - Rs. 56.38 million, (c) Property, plant and equipment -Rs. 24.41 million and (d) Investment property - Rs. 17,211.86 million.

**(iii) HDFC Limited (balance as at 31 March 2023 : Rs. 8,873.24 million)**

Nature of Loan	Security	Terms of repayment
Lease Rental Discounting-I and Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by mortgage/charge on immovable assets (including buildings), bank accounts, insurance policies, receivables, underlying land for which rights owned by the Company and demand promissory note in favour of the lender. Further term loan is secured by pledge, to be created on shares of Festus constituting 51% of the issued and outstanding equity share capital.	principal repayment (Lease Rental Discounting facility-I and Line of Credit): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 84 monthly instalments (overall tenure-144 months) comprising of principal repayment and interest payment at applicable interest rate. principal repayment (Lease Rental Discounting facility-II): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 71 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.
Lease Rental Discounting-II Interest @ PLR* less spread (Term : 12 Year)		

\*Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 59.85 million, (b) Cash and cash equivalents - Rs. 93.93 million, (c) Property, plant and equipment -Rs. 21.36 million and (d) Investment property - Rs. 22,662.51 million.

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**(iv) HDFC Limited (balance as at 31 March 2023 : Rs. 14,848.91 million)**

Nature of Loan	Security	Terms of repayment
Lease rental discounting-I Interest @ PLR* less spread (Term : 15 Years)	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties, charge on bank accounts and insurance policies and Customer Contracts in relation to Rental Premises & pledge of 51% of share capital of the SDPL Noida on fully diluted basis.	principal repayment (Lease Rental Discounting facility-I): Upon completion of 24 months from the first drawdown date, the LRD (Lease Rental Discounting) facility shall be repaid in 156 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.
Lease Rental Discounting-II Interest @ PLR* less spread (Term : 140 Months)		principal repayment (Lease Rental Discounting facility-II): Upon completion of 24 months from the first drawdown date, the facility shall be repaid in 116 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

\*Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 20.66 million, (b) Cash and cash equivalents - Rs. 115.62 million, (c) Property, plant and equipment -Rs. 33.60 million and (d) Investment property - Rs. 36,255.94 million.

As at 31 March 2022

**(i) HDFC Limited (balance as at 31 March 2022 : Rs. 24,804.15 million)**

Nature of Loan	Security	Terms of repayment
Lease Rental Discounting-I and Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of the Candor Kolkata on fully diluted basis.	Principal repayment (Lease Rental Discounting facility-I): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate.
Lease Rental Discounting-II Interest @ PLR* less spread (Term : 12 Year)		Principal repayment (Lease Rental Discounting facility-II): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 78 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate.
Loan Against Property Interest @ PLR* less spread (Term : 5 Year)		Principal repayment (Loan against Property facility) : The facility shall be repaid in a single Monthly Instalment on or before January 31, 2027 comprising of Principal repayment and interest payment at the applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding Principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.

\*Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 111.43 million (b) Cash and cash equivalents - Rs. 104.83 million (c) Property, plant and equipment -Rs. 88.88 million and (d) Investment property - Rs. 59,377.31 million.

**(ii) HDFC Limited (balance as at 31 March 2022 : Rs. 3,739.32 million)**

Nature of Loan	Security	Terms of repayment
Lease Rental Discounting-I and Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of the SPPL Noida on fully diluted basis.	Principal repayment (Lease Rental Discounting facility-I): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate.
Lease Rental Discounting-II Interest @ PLR* less spread (Term : 12 Year)		Principal repayment (Lease Rental Discounting facility-II): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 37 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding Principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.

\*Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 27.77 million, (b) Cash and cash equivalents - Rs. 84.85 million, (c) Property, plant and equipment - Rs. 17.42 million and (d) Investment property - Rs. 17,254.64 million.

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**(iii) HDFC Limited (balance as at 31 March 2022 : Rs. 8,274.85 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting Interest @ LRD-PLR* less spread (Term : 12 Year)	The term loan is secured by charge on immovable assets (including buildings), bank accounts, insurance policies, receivables, underlying land for which rights owned by the Company and demand promissory note in favour of the lender. Further term loan is secured by pledge, to be created on shares of the Festus constituting 51% of the issued and outstanding equity share capital.	1. Principal repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at the applicable interest rate. 2. Principal repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 71 monthly instalments(overall tenure - 144 months) comprising of principal repayment and interest payment at the applicable interest rate. 3. Principal repayment: Upon completion of 125 months from the first drawdown date, the LOC facility shall be repaid in 14 monthly instalments (overall tenure - 144 months) comprising of fixed principal repayment and interest payment at the applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding Principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.
Lease rent discounting Interest @ LRD-PLR* less spread (Term : ~12 Year)		
Line of Credit Interest @ LRD-PLR* less spread (Term : ~12 Year)		

\*Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 46.04 million, (b) Cash and cash equivalents - Rs. 31.49 million ,(c) Property, plant and equipment -Rs. 23.35 million, (d) Investment property - Rs. 22,479.31 million and (e) Investment property under development - Rs. 99.58 million.

**(iv) HDFC Limited (balance as at 31 March 2022 : Rs. 14,837.02 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting Interest @ PLR*less spread (Term : 15 Year)	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties, pledge of shares of the SDPL, Noida held by the holding company, charge on bank accounts and insurance policies, escrow on receivables of the SDPL Noida, and demand promissory note in favour of the lender.	Principal repayment: Upon completion of 24 months from the first drawdown date, the LRD (Lease Rental Discounting) facility shall be repaid in 156 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

\*Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 38.03 million, (b) Cash and cash equivalents - Rs. 40.17 million, (c) Property, plant and equipment -Rs. 28.73 million and (d) Investment property - Rs. 35,308.72 million.

**(b) Changes in liabilities arising from financing activities**

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>Opening balance (Debts &amp; Lease liability)</b>	<b>51,903.51</b>	<b>21,112.71</b>
Acquired on assets acquisition (refer note 47)	-	20,707.80
Addition to Lease liability	592.07	-
<b>Cash movement</b>		
Additional borrowing during the period (refer Consolidated Statement of Cash Flows)	3,400.00	15,909.99
Repayment during the period (refer Consolidated Statement of Cash Flows)	(567.18)	(5,627.38)
Finance cost paid during the period (refer Consolidated Statement of Cash Flows)	(4,105.97)	(2,152.60)
Repayment of lease liabilities (refer Consolidated Statement of Cash Flows)	(305.57)	(11.02)
<b>Non cash movement</b>		
Finance cost (accrued) (refer note 31)	4,365.30	2,110.82
Other non cash changes in finance cost	(198.46)	(146.81)
<b>Closing balance (Debts &amp; Lease liability)</b>	<b>55,083.70</b>	<b>51,903.51</b>

(c) The Group's quarterly returns or statements comprising quarterly financial information filed with banks and financial institutions are in agreement with the books of accounts.

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>18 Non-current financial liabilities - others</b>		
Security deposit from lessee	1,249.35	1,244.85
Retention money	11.72	84.45
	<b>1,261.07</b>	<b>1,329.30</b>
<b>19 Provisions</b>		
Provision for gratuity	23.87	18.91
	<b>23.87</b>	<b>18.91</b>

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	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>20 Other non-current liabilities</b>		
Deferred income	291.07	290.00
Contract liability*	644.07	355.93
	<b>935.14</b>	<b>645.93</b>

\*Candor Kolkata One Hi-Tech Structures Private Limited entered into a Joint Development Agreement with Gurgaon Infospace Limited (GIL) by which GIL will pay Rs. 1,000 million in various tranches commencing January 2021 to October 2023 for the development/construction of building used for commercial and retail purposes on certain land parcels, the title of which is held by Candor Kolkata One Hi-Tech Structures Private Limited. Under the said agreement, Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%. The amount accrued as at 31 March 2023 of Rs. 760.00 million including Goods and Service Tax (31 March 2022 of Rs. 420.00 million) has been presented as contract liability excluding Goods and Service Tax.

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>21 Short term borrowings</b>		
<b>Current maturities of long-term borrowings</b>		
<b>Secured</b>		
Term loan from financial institutions	536.22	661.81
	<b>536.22</b>	<b>661.81</b>

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>22 Current financial liabilities - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	76.54	60.38
Total outstanding dues of creditors other than micro enterprises and small enterprises*	578.42	577.13
	<b>654.96</b>	<b>637.51</b>

\*For balance payable to related parties, refer note 43

**Trade Payable ageing Schedule**

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021**

As at 31 March 2023	Outstanding for following periods from due date of payment					
Particulars	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	73.32	3.05	0.06	-	0.11	76.54
(ii) Others	577.12	0.83	0.00	0.04	0.43	578.42
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>650.44</b>	<b>3.88</b>	<b>0.06</b>	<b>0.04</b>	<b>0.54</b>	<b>654.96</b>

As at 31 March 2022	Outstanding for following periods from due date of payment					
Particulars	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	59.37	0.70	0.15	-	0.16	60.38
(ii) Others	567.06	5.99	0.04	0.20	0.49	573.78
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	0.71	-	-	2.64	3.35
<b>Total</b>	<b>626.43</b>	<b>7.40</b>	<b>0.19</b>	<b>0.20</b>	<b>3.29</b>	<b>637.51</b>

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>23 Current - Other financial liabilities</b>		
Security deposit from lessee	3,760.10	3,401.53
Retention money	222.86	132.89
Capital creditors	432.70	394.94
Employee related payables	14.11	10.93
Other payables	147.34	120.97
	<b>4,577.11</b>	<b>4,061.26</b>

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>24 Provisions</b>		
Provision for gratuity	1.30	0.18
Provision for compensated absences	8.69	7.14
	<b>9.99</b>	<b>7.32</b>

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>25 Other current liabilities</b>		
Statutory dues payable	161.79	151.29
Deferred income*	241.85	161.38
	<b>403.64</b>	<b>312.67</b>

\*For balance to related parties, refer note 43

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>26 Current tax liabilities (Net)</b>		
Provision for income tax	120.12	120.64
	<b>120.12</b>	<b>120.64</b>

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Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>27 Revenue from operations</b>		
<b>Sale of services</b>		
Income from operating lease rentals *	8,268.03	6,476.02
Income from maintenance services	3,631.91	2,263.32
	<b>11,899.94</b>	<b>8,739.34</b>
<b>Sale of products</b>		
Sale of food and beverages	62.10	26.94
Others	7.95	1.63
<b>Total revenue from operations</b>	<b>11,969.99</b>	<b>8,767.91</b>
* Assets given on operating lease		
<b>28 Other Income</b>		
<b>Interest income from financial assets at amortized cost</b>		
Interest income on fixed deposits with banks	116.52	71.05
Interest income on security deposit	32.36	28.38
<b>Others</b>		
Income from scrap sale	15.62	6.80
Interest on income tax refund	69.72	34.21
Liabilities/provisions no longer required written back	12.23	1.84
Fair value gain on income support	77.46	31.58
Miscellaneous income	0.89	50.37
	<b>324.80</b>	<b>224.23</b>
<b>29 Cost of materials consumed</b>		
Opening stock	-	-
Add: purchases during the period	48.45	22.69
Add: Others	6.39	1.33
Less: Closing stock	-	-
	<b>54.84</b>	<b>24.02</b>
<b>30 Employee benefits expense</b>		
Salaries, wages and bonus	320.38	179.70
Contributions to provident fund	17.53	10.44
Gratuity expense	8.29	5.16
Compensated absences	1.11	1.55
	<b>347.31</b>	<b>196.85</b>
<b>31 Finance Costs</b>		
<b>Interest and finance charges on financial liabilities at amortized cost</b>		
Interest on term loan	4,081.37	1,930.14
Interest on lease liability	28.65	14.25
<b>Others</b>		
Other borrowing costs	255.28	166.43
	<b>4,365.30</b>	<b>2,110.82</b>
Less: Transferred to investment property under development	(40.73)	(30.13)
	<b>4,324.57</b>	<b>2,080.69</b>

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Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>32 Depreciation and amortization expenses</b>		
- on property plant and equipment and intangible assets	21.76	16.62
- on investment property	2,730.26	2,068.15
	<b>2,752.02</b>	<b>2,084.77</b>
<b>33 Other expenses</b>		
Property management fees	467.11	352.20
Power and fuel	1,149.59	690.91
Repair and maintenance	967.87	708.19
Insurance	54.61	34.36
Legal and professional expense	227.47	177.58
Audit fees (refer note "a" below)	27.78	22.52
Rates and taxes	115.94	104.42
Marketing and advertisement expenses	124.40	43.41
Facility usage fees	30.67	31.59
Rental towards short term leases	14.51	10.23
Credit Impaired	11.26	10.77
Allowance for expected credit loss	10.22	10.08
Corporate social responsibility expenses	4.54	5.61
Donation	-	20.00
Travelling Expenses	19.10	5.36
Miscellaneous expenses	91.46	40.83
	<b>3,316.53</b>	<b>2,268.06</b>
<b>a) Details of remuneration to auditors</b>		
As auditor (on accrual basis, excluding applicable taxes)		
- for statutory audit	26.07	21.57
- for other services	0.30	0.19
- for reimbursement of expenses	1.41	0.76
	<b>27.78</b>	<b>22.52</b>
<b>34 Tax expense*</b>		
Current tax		
-for current period	40.17	27.96
-for earlier years	(12.89)	(3.81)
Deferred tax charge / (credit)	64.30	(245.01)
	<b>91.58</b>	<b>(220.86)</b>

\* Refer note 45.

Brookfield India REIT is a business trust registered under SEBI REIT Regulations, 2014. Hence, the interest and dividend received or receivable by Brookfield India REIT from the SPVs is exempt from tax under section 10(23FC) of the Income Tax Act, 1961 (Act). Further, any expenditure incurred in relation to earning the exempt income is not tax deductible in view of the provisions of section 14A of the Act.

The income of Brookfield India REIT, other than exempt income mentioned above, is chargeable to tax at the maximum marginal rates in force (for the year ended 31 March 2023 : 42.744%; for the year ended 31 March 2022: 42.744%), except for the income chargeable to tax on transfer of short term capital assets under section 111A of the Act and long term capital assets under section 112 of the Act.

SPVs are the Indian companies incorporated under the Companies Act. The total income of the SPVs is chargeable to tax in accordance with the provisions of the Act.

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**35 Contingent liabilities**

<b>Particulars</b>	<b>As at 31 March 2023 (Audited)</b>	<b>As at 31 March 2022 (Audited)</b>
Claims against the SPVs not acknowledged as debt in respect of Income-Tax matters (Refer note 1 below)	971.29	1,158.86
Claims against the SPVs not acknowledged as debt in respect of Indirect tax { VAT/Work contract/Service tax } (Refer note 2 below)	6.43	12.43
<b>Grand Total</b>	<b>977.72</b>	<b>1,171.29</b>

<b>Note 1</b>	<b>As at 31 March 2023 (Audited)</b>	<b>As at 31 March 2022 (Audited)</b>
Candor Kolkata One Hi-Tech Structures Private Limited	795.39	807.04
Shantiniketan Properties Private Limited	15.30	15.30
Seaview Developers Private Limited	160.60	336.52
<b>Total</b>	<b>971.29</b>	<b>1,158.86</b>

Contingent liabilities as at 31 March 2023 includes penalty amounting to Rs. 552.23 million (31 March 2022 : Rs. 552.23 million) in relation to disallowance of settlement fees paid in earlier years for termination of contract. Other contingencies include Rs. 419.06 million (31 March 2022 : Rs. 606.63 million) relating to other disallowances under the Income Tax Act, 1961.

The tax officer has set-off certain tax refund claimed in Income tax returns against these demands.

<b>Note 2</b>	<b>AS at 31 March 2023 (Audited)</b>	<b>AS at 31 March 2022 (Audited)</b>
Shantiniketan Properties Private Limited *	2.67	2.67
Seaview Developers Private Limited	1.68	9.76
Candor India Office Parks Private Limited	2.08	-
<b>Total</b>	<b>6.43</b>	<b>12.43</b>

\* The Company has given a bank guarantee of Rs. 1.05 million (31 March 2022: Rs. 1.00 million) to Member Secretary UP Pollution Control Board.

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**36 Commitments**

<b>Particulars</b>	<b>As at 31 March 2023 (Audited)</b>	<b>As at 31 March 2022 (Audited)</b>
Capital commitments (net of advances)	1,304.96	902.92

**The SPV wise details of capital commitments are as follows:**

Candor Kolkata One Hi-Tech Structures Private Limited	1,073.91	199.37
Shantiniketan Properties Private Limited	62.23	135.80
Festus Properties Private Limited	6.93	161.48
Seaview Developers Private Limited	161.89	406.27
	<b>1,304.96</b>	<b>902.92</b>

**Other commitments**

Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as "Candor Gurgaon Two Developers & Projects Private Limited"; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. 01 April 2017) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the property pursuant to a Joint Development Agreement (JDA) with GIL entered on 16 November 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.

In supplement to earlier JDA, a new co-development agreement was entered into between GIL (the developer) and Candor Kolkata One Hi-Tech Structures Private Limited (the co-developer) on 17 September 2007 as amended from time to time under which the developer and co-developer will jointly carry out the process of installation of fit-outs & fixtures and the cost of such installation shall be shared by the developer and co-developer in the same ratio as to sharing of gross proceeds i.e. 28% and 72% respectively. This agreement is accounted as joint operations as per Ind AS 111.



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**37 Financial instruments – Fair values and risk management**  
**i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. There are no financial instruments, which are subsequently measured at fair value.

	Carrying value		Fair value	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<i>At Amortized Cost</i>				
<b>Financial assets</b>				
Trade receivables #	239.04	224.88	239.04	224.88
Cash and cash equivalents #	2,096.55	2,043.65	2,096.55	2,043.65
Other bank balances #	483.64	506.49	483.64	506.49
Other financial assets #	1,271.24	1,030.52	1,271.24	1,030.52
<i>At FVTPL</i>				
<b>Financial Assets</b>				
Other financial Assets <sup>^</sup>	517.23	1,162.13	517.23	1,162.13
<b>Total financial assets</b>	<b>4,607.70</b>	<b>4,967.67</b>	<b>4,607.70</b>	<b>4,967.67</b>
<i>At Amortized Cost</i>				
<b>Financial liabilities</b>				
Borrowings #	54,520.38	51,655.34	54,520.38	51,655.34
Trade payables #	654.96	637.51	654.96	637.51
Other financial liabilities #	5,838.19	5,390.56	5,838.19	5,390.56
<b>Total financial liabilities</b>	<b>61,013.53</b>	<b>57,683.41</b>	<b>61,013.53</b>	<b>57,683.41</b>

# fair value of financial assets and financial liabilities which are recognized at amortized cost has been disclosed to be same as carrying value as the carrying value approximately equals to their fair value.

<sup>^</sup> Fair value of Receivable for income support is determined on the basis of present value of expected future cash flows. These are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs. The key input for determining the same is discount rate.

**ii) Measurement of fair values**

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuation under Level 1 and Level 2. There has been no transfers into or out of Level 3 of the fair value hierarchy for the year ended 31 March 2023 and 31 March 2022.

The Brookfield India REIT policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**iii) Details of significant unobservable inputs**

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
<b>Financial assets measured at fair value (Receivable for income support)</b>	
Discount rate (31 March 2023- 11.75% ; 31 March 2022- 11.50% and 12.75%)	The estimated fair value would decrease (increase) if discount rate is higher (lower)

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**iv) Sensitivity analysis of Level 3 fair values**

For the fair value of receivable for income support, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects:

<b>31 March 2023</b>	<b>Profit/ (Loss)</b>	
	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	(2.52)	2.52

<b>31 March 2022</b>	<b>Profit/ (Loss)</b>	
	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	(8.06)	8.06

**v) Reconciliation of Level 3 fair values**

**Fair Value relating to receivable for income support**

	<b>Amount</b>
Balance as at 24 January 2022	1,358.69
Income support received	(228.14)
Net change in fair value - unrealized (refer note 28)	31.58
<b>Balance as at 31 March 2022</b>	<b>1,162.13</b>
Balance as at 1 April 2022	<b>1,162.13</b>
Income support received	(722.36)
Net change in fair value - unrealized (refer note 28)	77.46
<b>Balance as at 31 March 2023</b>	<b>517.23</b>

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**38. Financial risk management**

**i. Risk management framework**

The Board of directors of the Manager of the Trust has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management framework is established to identify and analyse the key risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of directors of the Manager of the Trust, oversees compliance with the Group's risk management framework and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to The Audit Committee.

The Group's financial risk management is carried out by a treasury department (Group's treasury). the Group's treasury identifies, evaluates and hedges financial risks.

**ii. Credit risk**

Credit risk is the risk of the financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group ensures through appropriate background checks that the office premises are leased to parties of repute and of good credit standing only. It has also taken refundable interest free security deposits equivalent to 3-6 months of lease rentals from its customers which is used to mitigate credit risk. Further Management also monitors its receivables on a monthly basis and does not expect any default of its trade receivables. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks. However, the maximum amount exposed to credit risk is limited to amount disclosed in financial statements.

Movement in loss allowance for trade receivables during the year are as follows:

	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Balance at the beginning of the period	68.26	49.10
Loss allowance created during the year	10.22	10.08
Others	(53.48)	9.08
<b>Balance at the end of the year</b>	<b>25.00</b>	<b>68.26</b>

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**iii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities. The Group seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses.

Consequently, the Group believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Group projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2023	Carrying amount	Contractual cash flows			
		Total	0 -1 years	1 -5 years	Above 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings					
- Term loans (including current maturities and interest accrued)	54,520.38	84,681.94	5,028.92	30,208.10	49,444.92
Trade payables	654.96	654.96	654.96	-	-
Other financial liabilities (excluding current maturities of term loan)	6,401.51	8,458.23	4,818.01	1,690.40	1,949.82

31 March 2022	Carrying amount	Contractual cash flows			
		Total	0 -1 years	1 -5 years	Above 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings					
- Term loans (including current maturities and interest accrued)	51,655.34	87,954.92	4,265.89	21,344.13	62,344.90
Trade payables	637.51	637.51	637.51	-	-
Other financial liabilities (excluding current maturities of term loan)	5,638.73	8,072.89	4,072.48	1,947.25	2,053.16

The Group has undrawn borrowing facilities amounting to Rs. 3,260.00 million (31 March 2022: Rs. 2,890.00 million) with following expiry:

Particulars	Expiring within			
	Total	0 -1 years	1 -5 years	Above 5 years
As at 31 March 2023	3,260.00		3,260.00	
As at 31 March 2022	2,890.00	-	2,890.00	-

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**iv. Market risk**

The Group is exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals) that will affect the Group's income or expense or the value of its holdings of financial instruments.

**a) Currency risk**

The Group's exposure to foreign currency risk is mainly on account of imports of capital goods and services taken, which is not material in proportion to the total expenses incurred by the Group.

Foreign Currency risk exposure	Currency	As at 31 March 2023	As at 31 March 2022
Particulars		Rs. in Millions	
Financial Liabilities	Singapore Dollar (SGD)	(0.60)	(0.02)
Financial Liabilities/Assets	US Dollar (USD)	(9.04)	3.17
		<u>(9.64)</u>	<u>3.15</u>

10% appreciation/depreciation in foreign currencies (SGD) at the reporting date would result in (decrease)/ increase in the Group's profit/(loss) before tax by approximately (Rs. 0.06) million (31 March 2022 : (Rs. 0.002 million)).

10% appreciation/depreciation in foreign currencies (USD) at the reporting date would result in (decrease)/ increase in the Group's profit/(loss) before tax by approximately Rs. 0.90 million ( 31 March 2022 : Rs. 0.32 million).

**b) Interest rate risk**

The Group is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments as well as on the refinancing of fixed rate instrument. the Group's borrowings are principally denominated in Indian Rupees.

The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	As at 31 March 2023	As at 31 March 2022
<b>Fixed-rate instruments</b>		
Financial assets	2,555.25	2,358.72
Financial liabilities	-	-
	<u>2,555.25</u>	<u>2,358.72</u>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(54,520.38)	(51,655.34)
	<u>(54,520.38)</u>	<u>(51,655.34)</u>
<b>Total</b>	<u>(51,965.13)</u>	<u>(49,296.62)</u>

**Cash flow sensitivity analysis for variable-rate instruments**

The Group has Borrowings with variable-rate of interest amounting to Rs. 54,520.38 million (31 March 2022: Rs. 51,655.34 million). A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts shown below are net off borrowing cost capitalisation of Rs. 5.09 million (31 March 2022: Rs. 7.37 million) using capitalisation rate of respective year.

Rs. million	Profit/ (Loss)	
	100 bp increase	100 bp decrease
<b>31 March 2023</b>		
Variable-rate instruments	(540.12)	540.12
<b>Cash flow sensitivity (net)</b>	<u>(540.12)</u>	<u>540.12</u>
<b>31 March 2022</b>		
Variable-rate instruments	(509.18)	509.18
<b>Cash flow sensitivity (net)</b>	<u>(509.18)</u>	<u>509.18</u>

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**39 Segment reporting**

a) Ind AS 108 establishes requirements to identify the operating segment and related disclosures, basis how the Chief Operating Decision Maker ('CODM') evaluates the performance and allocates resources to different segments. Based on an analysis of Brookfield India REIT structure and powers conferred to the Manager to REIT, the Governing Board of the Manager (Brookprop Management Services Private Limited) has been identified as the Chief Operating Decision Maker (CODM), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Group is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

b)

S.No	Customer	Nature	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
1	A	% of revenue	13.95%	17.97%
2	B	% of revenue	14.74%	15.70%
3	C	% of revenue	10.64%	11.50%

Additional financial disclosures as required under para 4 of SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016

**40 Statement of Property wise rental/Operating income**

S.No	Entity and Property name	Property Address	Location	Nature of Income	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
1	Candor Kolkata One Hi-Tech Structures Private Limited	Candor TechSpace IT/ITES SEZ, Dundaheera, Sector-21 Gurgaon, Haryana-122016	Gurgaon	Rental income and other operating income	3,492.40	3,222.32
2	Candor Kolkata One Hi-Tech Structures Private Limited	IT/ITES SEZ, Candor TechSpace, Action Area- 1 D, New Town, Rajarhat, Kolkata-700156	Kolkata	Rental income and other operating income	1,971.22	2,017.15
3	Shantiniketan Properties Private Limited	IT/ITES Park, Candor TechSpace, Institutional Plot No B/2 - 62, Sector 62 , NOIDA, Uttar Pradesh- 201309	Noida	Rental income and other operating income	1,750.62	1,233.59
4	Festus Properties Private Limited	Kensington A and B, IT / ITES, Kensington SEZ Building, Hiranandani Business Park, Powai Mumbai, Mumbai City, Maharashtra-400076	Mumbai	Rental income and other operating income	1,893.06	1,789.49
5	Seaview Developers Private Limited	IT/ITES SEZ, Candor TechSpace, Plot No 20 21, Sector 135 , NOIDA, Uttar Pradesh-201304	Noida	Rental income and other operating income	2,862.69	505.36
6	Candor India Office Parks Private Limited	F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai-400067	Mumbai	Property management fees	-	-
<b>Total</b>					<b>11,969.99</b>	<b>8,767.91</b>

**41 Earnings Per Unit (EPU)**

Basic EPU amounts are calculated by dividing the profit for the period / year after income tax attributable to unitholders by the weighted average number of units outstanding during the period / year. Diluted EPU amounts are calculated by dividing the profit for the period / year after income tax attributable to unitholders by the weighted average number of units outstanding during period / year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The units of the Trust were allotted on 08 February 2021, 11 February 2021 and 24 January 2022.

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Profit after tax for calculating basic and diluted EPU	1,312.32	2,462.85
Weighted average number of Units (Nos.)	335,087,073	309,050,586
Earnings Per Unit		
-Basic (Rupees/unit)	3.92	7.97
-Diluted (Rupees/unit)*	3.92	7.97

\* The Trust does not have any outstanding dilutive units.

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**42 Capitalization Statement**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital structure mainly constitutes equity in the form of unit capital and debt. The projects of SPVs are initially funded through construction financing arrangements. On completion, these loans are restructured into lease-rental discounting arrangements or debentures. The Group's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Group monitors its capital structure using ratio of 'Net debt' to 'Total Unitholder's funds (Equity)'. The capital structure of the Group consists of net debt (comprising borrowings as disclosed in notes 17 and 21 and lease liabilities offset by cash and cash equivalents as disclosed in note 10) and equity of the Group (comprising issued unit capital, reserves and retained earnings as disclosed in notes 15 and 16). The Group's Net debt to equity ratio as at 31 March 2023 and 31 March 2022 are as follows:

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Borrowings	54,520.38	51,655.35
Lease Liability	563.32	248.17
Gross debt	<u>55,083.70</u>	<u>51,903.52</u>
Less : Cash and cash equivalents	<u>(2,096.55)</u>	<u>(2,043.65)</u>
<b>Adjusted Net debt</b>	<b><u>52,987.15</u></b>	<b><u>49,859.87</u></b>
Unitholders' Funds		
-Unit capital	86,556.65	89,867.31
-Other equity	<u>(3,219.27)</u>	<u>(1,046.38)</u>
<b>Total Unitholder's funds</b>	<b><u>83,337.38</u></b>	<b><u>88,820.93</u></b>
<b>Debt/Equity Ratio</b>	<b>0.64</b>	<b>0.56</b>

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**43 Related Party Disclosures**

**A. Related parties to Brookfield India REIT as at 31 March 2023**

BSREP India Office Holdings V Pte. Ltd. - Sponsor  
Brookprop Management Services Private Limited - Investment Manager  
Axis Trustee Services Limited - Trustee

**The Ultimate parent entity, sponsor groups and fellow subsidiaries, with whom the group has related party transactions during the period, consist of the below entities:**

**Ultimate parent entity**

Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.), ultimate parent entity and controlling party

**Sponsor**

BSREP India Office Holdings V Pte. Ltd. - Sponsor

**Sponsor group**

- a) BSREP II India Office Holdings II Pte. Ltd. (BSREP II India)
- b) Kairos Property Managers Private Limited (Kairos) (till 07 September 2022)
- c) BSREP Moon C1 L.P (till 07 September 2022)
- d) BSREP Moon C2 L.P (till 07 September 2022)
- e) BSREP India Office Holdings III Pte Ltd. (BSREP India Office III)
- f) BSREP India Office Holdings Pte. Ltd. (BSREP India Holdings)
- g) BSREP India Office Holdings IV Pte. Ltd. (BSREP India Office IV)
- h) BSREP India Office Holdings VI Pte. Ltd. (BSREP India Office VI)

**Fellow subsidiaries**

- a) Mountainstar India Office Parks Private Limited
- b) Technology Service Group LLC
- c) Arliga India Office Parks Private Limited
- d) Brookfield Property Group LLC
- e) Mars Hotel and Resorts Private Limited
- f) Witwicky One Private Limited
- g) Brookfield HRS TS LLC

Brookfield India REIT's interests in subsidiaries are set out in note 1"- Organization structure.

**Directors & Key personnel of the Investment Manager (Brookprop Management Services Private Limited)**

**Directors**

Akila Krishnakumar (Independent Director)  
Shailesh Vishnubhai Haribhakti (Independent Director)  
Anuj Ranjan (Non-Executive Director)  
Ankur Gupta (Non-Executive Director)  
Sucharda Thomas Jan (Non-Executive Director) (w.e.f. 30 March 2023)  
Rajnish Kumar (Independent Director) (w.e.f. 30 March 2023)

**Key Personnels**

Alok Aggarwal - Chief Executive Officer - India office business  
Sanjeev Kumar Sharma - Executive Vice President and Chief Financial Officer – India office business

**Key Managerial Personnel of SPV's**

**- Candor Kolkata One Hi-Tech Structures Private Limited**

Subrata Ghosh- Managing Director  
Neeraj Kapoor- Company Secretary (till 1st August 2021)

**- Festus Properties Private Limited**

Lalit Kumar- Company Secretary

**- Shantiniketan Properties Private Limited**

Kanika Dhingra – Company Secretary (till 2nd November 2022)



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**43 B. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>Trustee Fee Expense</b>		
- Axis Trustee Services Limited	2.95	2.95
<b>Total</b>	<b>2.95</b>	<b>2.95</b>
<b>Reimbursement of expense incurred by (excluding GST)</b>		
- Brookprop Management Services Private Limited	3.73	5.74
- BSREP India Office Holdings V Pte. Ltd.	-	26.39
- Brookfield Property Group LLC	1.98	-
<b>Total</b>	<b>5.71</b>	<b>32.13</b>
<b>Reimbursement of expense incurred on behalf of (excluding GST)</b>		
- Mountainstar India Office Parks Private Limited	2.08	2.81
<b>Total</b>	<b>2.08</b>	<b>2.81</b>
<b>Issue of Unit Capital</b>		
- BSREP India Office Holdings IV Pte. Ltd.	-	4,550.17
<b>Total</b>	<b>-</b>	<b>4,550.17</b>
<b>Internet &amp; Connectivity Charges</b>		
- Technology Service Group LLC	22.22	17.07
- Brookfield HRS TS LLC	9.06	-
<b>Total</b>	<b>31.28</b>	<b>17.07</b>
<b>Property management fees</b>		
- Brookprop Management Services Private Limited	237.78	186.69
<b>Total</b>	<b>237.78</b>	<b>186.69</b>
<b>Investment management fees</b>		
- Brookprop Management Services Private Limited	80.11	81.21
<b>Total</b>	<b>80.11</b>	<b>81.21</b>
<b>Compensation to key management personnel of SPV's</b>		
- Short-term employee benefits	8.63	8.57
- Post-employment benefits*	-	-
- Other long-term benefits	0.48	0.43
- Other Fees	0.30	0.49
<b>Total</b>	<b>9.41</b>	<b>9.49</b>
<b>Provision for Gratuity and compensated absences transfer to#</b>		
- Arliga India Office Parks Private Limited	0.59	0.29
- Mountainstar India Office Parks Private Limited	0.02	-
- Witwicky One Private Limited	0.08	-
<b>Total</b>	<b>0.69</b>	<b>0.29</b>
<b>Provision for Gratuity and compensated absences transfer from#</b>		
- Mountainstar India Office Parks Private Limited	-	5.67
- Arliga India Office Parks Private Limited	0.21	-
- Brookprop Management Services Private Limited	3.21	-
<b>Total</b>	<b>3.42</b>	<b>5.67</b>
<b>Provision for Bonus transfer to#</b>		
- Arliga India Office Parks Private Limited	0.17	0.23
- Mountainstar India Office Parks Private Limited	0.04	-
- Witwicky One Private Limited	0.16	-
<b>Total</b>	<b>0.37</b>	<b>0.23</b>
<b>Provision for Bonus transfer from#</b>		
- Mountainstar India Office Parks Private Limited	-	7.54
- Arliga India Office Parks Private Limited	0.33	-
- Brookprop Management Services Private Limited	3.66	-
<b>Total</b>	<b>3.99</b>	<b>7.54</b>

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**43 B. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>Repayment of Unit Capital</b>		
- BSREP India Office Holdings V Pte. Ltd.	534.68	247.38
- BSREP India Office Holdings Pte Ltd.	410.01	189.69
- Kairos Property Managers Pvt. Ltd.	15.95	15.49
- BSREP Moon C1 L.P.	3.77	3.66
- BSREP Moon C2 L.P.	0.00	0.00
- BSREP II India Office Holdings II Pte. Ltd.	295.01	128.39
- BSREP India Office Holdings III Pte. Ltd.	362.86	167.88
- BSREP India Office Holdings IV Pte. Ltd.	152.79	-
- BSREP India Office Holdings VI Pte. Ltd.	4.14	-
<b>Total</b>	<b>1,779.21</b>	<b>752.49</b>
<b>Interest Distributed</b>		
- BSREP India Office Holdings V Pte. Ltd.	541.19	634.70
- BSREP India Office Holdings Pte. Ltd.	414.99	486.71
- Kairos Property Managers Pvt. Ltd.	17.99	39.72
- BSREP Moon C1 L.P.	4.25	9.40
- BSREP Moon C2 L.P.	0.00	0.00
- BSREP II India Office Holdings II Pte. Ltd.	296.76	329.40
- BSREP India Office Holdings III Pte. Ltd.	367.27	430.74
- BSREP India Office Holdings IV Pte. Ltd.	154.64	-
- BSREP India Office Holdings VI Pte. Ltd.	3.76	-
<b>Total</b>	<b>1,800.85</b>	<b>1,930.67</b>
<b>Other Income Distributed</b>		
- BSREP India Office Holdings V Pte. Ltd.	22.73	37.94
- BSREP India Office Holdings Pte. Ltd.	17.41	29.09
- Kairos Property Managers Pvt. Ltd.	0.60	2.38
- BSREP Moon C1 L.P.	0.14	0.56
- BSREP Moon C2 L.P.	0.00	0.00
- BSREP II India Office Holdings II Pte. Ltd.	12.61	19.69
- BSREP India Office Holdings III Pte. Ltd.	15.43	25.74
- BSREP India Office Holdings IV Pte. Ltd.	6.49	-
- BSREP India Office Holdings VI Pte. Ltd.	0.19	-
<b>Total</b>	<b>75.60</b>	<b>115.40</b>
<b>Security deposit received back</b>		
- Mountainstar India Office Parks Private Limited	-	7.43
<b>Total</b>	<b>-</b>	<b>7.43</b>
<b>Income support received</b>		
- Mountainstar India Office Parks Private Limited	722.36	228.14
<b>Total</b>	<b>722.36</b>	<b>228.14</b>

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**43 B. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
<b>Purchase of office equipment</b>		
- Mars Hotel and Resorts Pvt. Ltd.	0.50	-
<b>Total</b>	<b>0.50</b>	<b>-</b>
<b>Deferred Income</b>		
- Mountainstar India Office Parks Private Limited	1.20	-
<b>Total</b>	<b>1.20</b>	<b>-</b>
<b>Reimbursement towards withholding tax liability on Restricted Stock Unit</b>		
- Brookfield Corporation (formerly known as Brookfield Asset Management Inc.)	1.31	-
<b>Total</b>	<b>1.31</b>	<b>-</b>
<b>Dividend received on behalf of employees</b>		
- Brookfield Corporation (formerly known as Brookfield Asset Management Inc.)	0.13	-
<b>Total</b>	<b>0.13</b>	<b>-</b>

\*As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the respective SPV as a whole, the said liabilities pertaining specifically to KMP are not known for current period and hence, not included here.

#This amount relates to provision for bonus, gratuity and compensated absences transferred on account of transfer of employees.

Outstanding balances	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<b>Trade Payable (net of withholding tax)</b>		
- Brookprop Management Services Private Limited	18.63	16.84
- Brookfield HRS TS LLC	7.12	-
<b>Total</b>	<b>25.75</b>	<b>16.84</b>
<b>Other receivables</b>		
- Mountainstar India Office Parks Private Limited	0.08	0.01
- Brookfield Corporation (formerly known as Brookfield Asset Management Inc.)	1.32	-
- Brookprop Management Services Private Limited	0.32	-
<b>Total</b>	<b>1.72</b>	<b>0.01</b>
<b>Finance receivables*</b>		
- Mountainstar India Office Parks Private Limited	517.23	1,162.13
<b>Total</b>	<b>517.23</b>	<b>1,162.13</b>
<b>Advances to vendors (net of withholding tax)</b>		
- Technology Service Group LLC	-	3.17
<b>Total</b>	<b>-</b>	<b>3.17</b>
<b>Deferred Income</b>		
- Mountainstar India Office Parks Private Limited	1.20	-
<b>Total</b>	<b>1.20</b>	<b>-</b>

\*Represents income support provided by Mountainstar India Office Parks Private Limited to SDPL Noida as part of Income support agreement starting quarter ended 31 March 2022 until the quarter ending 31 March 2024.

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**44. Employee benefits**

**a) Defined contribution plan:**

The Group makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized Rs. 17.53 million for the year ended 31 March 2023 (for the year ended 31 March 2022: Rs. 10.44 million) for Provident Fund contributions, in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

**b) Defined benefit obligation**

i. Gratuity (included in Note 30 Employee benefits expense)

**1) Reconciliation of opening and closing balances of the present value of defined benefit obligation:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Change in defined benefit obligations (DBO) during the period</b>		
Present value of DBO at the beginning of the period	19.09	10.94
Adjustment on transfer of employees	2.16	4.19
Current service cost	6.91	4.41
Benefits Paid	(3.34)	-
Interest Cost	1.38	0.74
Net actuarial (Gain)/ loss recognized in the year	(1.03)	(1.19)
<b>Present value of DBO at the end of the year</b>	<b>25.17</b>	<b>19.09</b>

**2) Reconciliation of present value of defined benefit obligations & fair value of plan assets:**

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation at the year end	25.17	19.09
Plan assets at the year end, at fair value	-	-
<b>Net liability recognised in the balance sheet</b>	<b>25.17</b>	<b>19.09</b>

**3) Net employee benefit expense (recognized in Employee benefits expense):**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Components of employer's expense</b>		
Current service cost	6.91	4.42
Interest Cost	1.38	0.74
<b>Defined benefit cost recognized in the Statement of Profit and Loss</b>	<b>8.29</b>	<b>5.16</b>

**4) Amount recognized in Other Comprehensive Income:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net cumulative unrecognized actuarial (gain)/ loss opening	(2.26)	(1.07)
Actuarial (gain) / loss for the year on Present Benefit Obligations (PBO)	(1.03)	(1.19)
<b>Unrecognized actuarial (gain)/ loss at the end of the year</b>	<b>(3.29)</b>	<b>(2.26)</b>

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**5) Actuarial assumptions**

**Economic Assumptions**

-The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

-The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Discount rate	7.36%	7.22%
Future Salary escalation	8.00%	8.00%

**Demographic Assumption**

Retirement age (Years)	60.00	60.00
Mortality Table	100% of IALM (2012 - 14)	IALM (2012-14)

	<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**6) Sensitivity Analysis of defined benefit obligation**

<b>a) Impact of Change in discount rate</b>	<b>Impact due to increase of 0.5%</b>	<b>Impact due to decrease of 0.5%</b>
Present Value of Obligation at the end of the year	(1.37)	1.50

<b>b) Impact of Change in Salary Increase</b>	<b>Impact due to increase of 0.5%</b>	<b>Impact due to decrease of 0.5%</b>
Present Value of Obligation at the end of the year	1.23	(1.14)

7) The Group expects to pay Rs. 10.98 million (31 March 2022: Rs. 7.78 million) in contributions to defined benefit plans in the next year.

**8) The following payments are expected from defined benefit obligation in future years:**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Within the next 12 months	1.31	0.19
Between 1 and 5 years	4.47	3.77
Beyond 5 years	17.79	15.13
<b>Total expected payments</b>	<b>23.57</b>	<b>19.09</b>

**Other Long term employee benefits**

During the year ended 31 March 2023 the Group has incurred an expense on compensated absences amounting to Rs. 1.11 million (year ended 31 March 2022: Rs. 1.55 million). The Group determines the expense for compensated absences basis the actuarial valuation of present value of obligation, using the Projected Unit Credit method.

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**45. Tax expense**

**(a) Amounts recognised in Statement of Profit and Loss**

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>(a) Income tax expense</b>		
Current tax		
-for current period	40.17	27.96
-for earlier years	(12.89)	(3.81)
<b>Total current tax expense</b>	<b>27.28</b>	<b>24.15</b>
Deferred tax		
(i) Origination and reversal of temporary differences	64.30	(245.01)
(ii) Minimum alternate tax credit		
-for the period	-	-
-for earlier years	-	-
<b>Deferred tax charge/(credit)</b>	<b>64.30</b>	<b>(245.01)</b>
<b>Tax expense for the year</b>	<b>91.58</b>	<b>(220.86)</b>

**(b) Amounts recognised in other comprehensive income**

**Deferred income tax liability / (asset), net**

(i) Net (gain)/ loss on remeasurement of define benefit plans	(0.37)	(0.20)
<b>Tax expense charged in other comprehensive income for the year</b>	<b>(0.37)</b>	<b>(0.20)</b>

**(c) Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate)**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Profit before tax</b>	<b>1,403.90</b>	<b>2,241.99</b>
Tax at the rates applicable to the respective entities	776.96	1,218.02
<b>Tax effect of:</b>		
Deferred tax assets not recognised because realisation is not probable	245.00	192.41
Effect of exempt income	(1,345.21)	(1,929.29)
Tax for earlier years	(12.89)	(3.81)
Effect of non-deductible expenses	99.33	124.76
Effect of initial recognition exception	310.05	166.60
Others	18.34	10.45
<b>Tax expense for the year</b>	<b>91.58</b>	<b>(220.86)</b>

**(d) Deferred tax Assets (net)**

Particulars	Net balance as at 01 April 2022	Recognized in profit or loss	Recognized in other comprehensive income	Net balance as at 31 March 2023
<b>Deferred tax assets (Liabilities)</b>				
Investment properties and Property, plant & equipment	(537.69)	(836.31)	-	(1,374.00)
Borrowings	59.18	7.78	-	66.96
Unabsorbed depreciation & losses	2,921.36	599.93	-	3,521.29
MAT credit entitlement	1,253.92	-	-	1,253.92
Others	58.69	164.30	(0.37)	222.62
<b>Tax assets (Liabilities)</b>	<b>3,755.46</b>	<b>(64.30)</b>	<b>(0.37)</b>	<b>3,690.79</b>

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Particulars	Net balance as at 01 April 2021	Net balance as at 24 January 2022*	Recognized in profit or loss	Recognized in other comprehensive income	Net balance as at 31 March 2022
<b>Deferred tax assets (Liabilities)</b>					
Investment properties and Property, plant & equipment	(95.32)	-	(442.37)	-	(537.69)
Borrowings	44.20	-	14.98	-	59.18
Unabsorbed depreciation & losses	1,729.06	580.36	611.94	-	2,921.36
MAT credit entitlement	964.86	289.06	-	-	1,253.92
Others	(1.57)	-	60.46	(0.20)	58.69
<b>Tax assets (Liabilities)</b>	<b>2,641.23</b>	<b>869.42</b>	<b>245.01</b>	<b>(0.20)</b>	<b>3,755.46</b>

\* on account of SDPL Noida acquisition (refer note 47)

The Group has recognized deferred tax asset of Rs. 3,521.29 million (31 March 2022: Rs. 2,921.36 million) on unabsorbed depreciation & business losses and Rs. 1,253.92 million (31 March 2022: Rs. 1,253.92 million) on MAT credit entitlement, considering the deferred tax liability on existing taxable temporary differences in respective SPVs that will reverse in the future and estimated taxable income for future years. The amount of deferred tax assets considered realizable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

As at 31 March 2023, unrecognized deferred tax assets amounting to Rs. 725.47 million (31 March 2022: Rs 725.47 millions) on unabsorbed interest u/s 94B of Income Tax Act 1961, Rs. 77.89 million (31 March 2022: Rs. 63.77 million) on business loss and Rs. 654.86 million (31 March 2022: Rs. 580.29 million) on unabsorbed depreciation, has been detailed below. The deferred tax asset has not been recognized on the basis that its recovery is not considered probable in the foreseeable future.

Deductible temporary differences on which deferred tax asset is not recognised:

**As at 31 March 2023**

March 31,	Particulars	Amounts (Rs in millions)	Deferred tax asset (Rs in millions)
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	167.74	49.23
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	221.79	65.12
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	622.65	182.02
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	1,271.05	416.67
2030	Unabsorbed interest u/s 94B of Income Tax Act 1961	42.68	12.43
2029	Unabsorbed business losses	52.05	15.16
2030	Unabsorbed business losses	215.42	62.73
Indefinite life period	Unabsorbed depreciation	2,248.83	654.86

**As at 31 March 2022**

March 31,	Particulars	Amounts (Rs in millions)	Deferred tax asset (Rs in millions)
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	167.74	49.23
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	221.79	65.12
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	622.65	182.02
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	1,271.05	416.67
2030	Unabsorbed interest u/s 94B of Income Tax Act 1961	42.68	12.43
2029	Unabsorbed business losses	53.96	15.71
2030	Unabsorbed business losses	165.04	48.06
Indefinite life period	Unabsorbed depreciation	1,992.75	580.29

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. It also depends on availability of taxable temporary differences when the deductible temporary differences are expected to reverse.

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**46 Uncertainty relating to the global health pandemic on COVID-19:**

The COVID-19 pandemic has continued to cause disruption to business activities and adversely impacted local, regional, national and international economic conditions. 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). As a result, future revenues and cash flows produced by investment properties could be potentially impacted due to this prevailing uncertainty. In response, Brookfield India REIT has adjusted cash flow assumptions for its estimate of near-term disruption to cash flows to reflect collections, vacancy and assumptions with respect to new leasing activity. In addition, Brookfield India REIT has continued to assess the appropriateness of the discount and terminal capitalization rates giving consideration to changes to property level cash flows and any risk premium inherent in such cash flow changes as well as the current cost of capital and credit spreads. Further, in developing assumptions relating to possible future uncertainties in the Indian economic conditions because of this pandemic; Brookfield India REIT, as at the date of approval of these 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 at the date of approval of these Consolidated Financial Statements.

**47 Assets Acquisition**

(i) On 8 February 2021 (the acquisition date), Brookfield India REIT acquired 100% of the equity interest and compulsorily convertible debentures of four SPVs as described in more detail in Note 1 - Organization structure; in exchange for units of Brookfield India REIT amounting to Rs. 45,270.45 Million (the "Purchase consideration").

The management applied the optional concentration test, under Ind AS 103, and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in investment properties, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition.

The management identified and recognized the individual identifiable assets acquired and liabilities assumed; and allocated the purchase consideration to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition.

The allocated value of the identifiable assets and liabilities of the four SPVs as at the date of acquisition were:

<b>Assets</b>	<b>Amount (in million)</b>
Property, plant and equipment	98.22
Investment property	100,378.03
Investment property under development	723.34
Other assets	6,848.43
<b>Total Assets (A)</b>	<b>108,048.02</b>
<b>Liabilities</b>	
Borrowings (including current maturities of long term borrowings)	56,776.42
Other liabilities	6,001.16
<b>Total Liabilities (B)</b>	<b>62,777.58</b>
<b>Net Assets (A – B)</b>	<b>45,270.44</b>

(ii) On 24 January 2022 (the acquisition date), Brookfield India REIT acquired 100% of the equity interest and compulsorily convertible debentures of SDPL Noida as described in more detail in Note 1 - Organization structure; in exchange through combination of units of Brookfield India REIT of Rs. 4,550.17 million and cash consideration of Rs. 13,153.83 million, total amounting to Rs. 17,704.00 million. Brookfield India REIT has also incurred directly attributable expenses in relation to this asset acquisition, amounting to Rs. 118.22 million, resulting in the total purchase consideration of Rs. 17,822.22 million (the "Purchase consideration").

The management applied the optional concentration test, under Ind AS 103, and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in investment properties, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition.

The management identified and recognized the individual identifiable assets acquired and liabilities assumed; and allocated the purchase consideration to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition.

The allocated value of the identifiable assets and liabilities of SDPL Noida as at the date of acquisition were:

<b>Assets</b>	<b>Amount (in million)</b>
Property, plant and equipment	29.31
Investment property	35,344.03
Investment property under development	1,110.75
Other assets	3,699.40
<b>Total Assets (A)</b>	<b>40,183.49</b>
<b>Liabilities</b>	
Borrowings (including current maturities of long term borrowings)	20,464.86
Other liabilities	1,896.41
<b>Total Liabilities (B)</b>	<b>22,361.27</b>
<b>Net Assets (A – B)</b>	<b>17,822.22</b>



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**48 Management fee**

**Property Management Fees**

Pursuant to the Candor Amended and Restated Service Agreement dated 01 December 2020 with SPPL Noida and Candor Kolkata and agreement dated 11 February 2022 with SDPL Noida, Investment Manager is entitled to a yearly fees @ 3% of the income from operating lease rentals as recorded in the books of accounts of SPPL Noida, Candor Kolkata and SDPL Noida, payable on a monthly basis, exclusive of applicable taxes. The fees has been determined for providing real estate operating services to CIOP in relation to the Operational Services rendered by it with respect to SPPL Noida, Candor Kolkata and SDPL Noida. The said Management fees for the quarter, half year and year ended 31 March 2023 amounts to Rs. 45.74 million, Rs. 95.08 million and Rs. 188.01 million respectively. There are no changes during the year in the methodology for computation of fees paid to the Investment Manager.

Pursuant to the Festus Service Agreement dated 01 December 2020, Investment Manager is entitled to a yearly fee of 3% of the income from operating lease rentals as recorded in the books of accounts of Festus, payable on a monthly basis, exclusive of applicable taxes. The fees has been determined for providing real estate operating services to Festus in relation to the management and operation of the Kensington and any other properties developed by Festus from time to time ("Festus Properties"). The said Management fees for the quarter, half year and year ended 31 March 2023 amounts to Rs. 12.09 million, Rs. 24.90 million and Rs. 49.77 million respectively. There are no changes during the year in the methodology for computation of fees paid to the Investment Manager.

**REIT Management Fees**

Pursuant to the Investment Management Agreement dated 17 July 2020, Investment Manager is entitled to fees @ 1% of NDCF, exclusive of applicable taxes (also refer note 52). The fees has been determined for undertaking management of the REIT and its investments. The said Management fees for the quarter, half year and year ended 31 March 2023 amounts to Rs. 19.73 million, Rs. 39.53 million and Rs. 80.11 million respectively. There are no changes during the year in the methodology for computation of fees paid to the Investment Manager.

**Additional information disclosure pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

**49 Relationship with Struck off Companies:**

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year 31 March 2023 (Rs. million)	Balance outstanding 31 March 2023 (Rs. million)	Relationship with the Struck off company, if any, to be disclosed
Cyber Aluinfra Private Limited	Capital Creditor	-	(0.00)	Vendor
Cyber Aluinfra Private Limited	Retention Money Payable	-	(0.04)	Vendor
Grace Decors Pvt Ltd	Retention Money Payable	-	(0.27)	Vendor
Grace Decors Pvt Ltd	Capital Creditors	0.44	(0.10)	Vendor
Kwals Hospitality OPC Private Limited	Payables	3.35	-	Vendor
Kwals Hospitality OPC Private Limited	Security deposit payable	1.75	-	Customer
Kwals Hospitality OPC Private Limited	Trade Receivable	(7.10)	-	Customer

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year 31 March 2022 (Rs. million)	Balance outstanding 31 March 2022 (Rs. million)	Relationship with the Struck off company, if any, to be disclosed
Kwals Hospitality OPC Private Limited	Payables	0.12	(3.35)	Vendor
Kwals Hospitality OPC Private Limited	Security deposit payable	0.75	(1.75)	Customer
Kwals Hospitality OPC Private Limited	Trade Receivable	(0.87)	7.10	Customer

- 50 Candor Kolkata One Hi-Tech Structures Private Limited ("Candor Kolkata"), Shantiniketan Properties Private Limited ("SPPL Noida") and Seaview Developers Private Limited ("SDPL Noida"), which became subsidiary of Brookfield India REIT after it was acquired by it in February 2021, February 2021 and January 2022 respectively, had received certain amounts as share application money ("Share Application Money") prior to 31 March 2014, against which Candor Kolkata had not allotted shares; SPPL Noida and SDPL Noida had not allotted shares or refunded such Share Application Money. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with Paragraph 8(4) of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 (the Rules). During the period ended 31 March 2021, these subsidiaries had filed application u/s 441 of the Companies Act, 2013 for compounding of offence.

Pursuant to the hearing held on 30 December, 2021, Hon'ble Regional Director accepted the compounding application(s) filed by Candor Kolkata, SPPL Noida and SDPL Noida compounded the offence by levying a compounding fees, amounting to Rs. 0.40 million for Candor Kolkata, Rs. 1.05 million for SPPL Noida and Rs. 0.51 million for SDPL Noida, and passed the order dated 25 January 2022, 24 January 2022 and 24 January 2022 for Candor Kolkata, SPPL Noida and SDPL Noida, respectively. The said compounding fees has been paid by the respective subsidiaries within the requisite timelines during the year ended 31 March 2022.

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**51 Details of utilization of proceeds of IPO are as follows:**

Objects of the issue as per the prospectus	Proposed utilization	Actual utilization upto 31 March 2022	Unutilized amount as at 31 March 2022
Partial or full pre-payment or scheduled repayment of the existing indebtedness of our Asset SPVs	35,750.00	35,750.00	-
General purposes (refer note below)	350.00	672.45	-
Issue expenses (refer note below)	1,900.00	1,577.55	-
<b>Total</b>	<b>38,000.00</b>	<b>38,000.00</b>	-

Note: Amount of Rs. 322.45 million has been used for general corporate purposes from the proposed utilization towards issue expenses.

**52 Distribution Policy**

In terms of the Distribution policy and REIT Regulations, not less than 90% of the NDCFs of our Asset SPVs are required to be distributed to Brookfield REIT, in proportion of its shareholding in our Asset SPVs, subject to applicable provisions of the Companies Act. The cash flows receivable by Brookfield REIT may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from our Asset SPVs/ CIOP, sale proceeds out of disposal of investments of any or assets directly/ indirectly held by Brookfield REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the applicable laws.

At least 90% of the NDCFs of Brookfield REIT ("REIT Distributions") shall be declared and made once every quarter of a Financial Year by our Manager. The first distribution shall be made upon completion of the first full quarter after the listing of our Units on the Stock Exchanges. Further, in accordance with the REIT Regulations, REIT Distributions shall be made no later than 15 days from the date of such declarations. The REIT Distributions, when made, shall be made in Indian Rupees.

The NDCFs shall be calculated in accordance with the REIT Regulations and any circular, notification or guidelines issued thereunder including the SEBI Guidelines.

**53** "0.00" Represents value less than Rs. 0.01 million.

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2023

## INDEPENDENT AUDITOR'S REPORT

### To The Unitholders of Brookfield India Real Estate Trust Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Brookfield India Real Estate Trust (the "REIT") and its subsidiaries (together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows for the year ended 31 March 2022, the Consolidated Statement of Changes in Unitholders' Equity for the year ended 31 March 2022, Statement of Net Assets at fair value as at 31 March 2022, Statement of Total Return at fair value for the year ended 31 March 2022 and Statement of Net Distributable Cash Flow of the REIT and each of the subsidiaries for the year ended 31 March 2022 as an additional disclosure in accordance with Paragraph 6 of Annexure A to the Securities Exchange Board of India (SEBI) Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 along with and a summary of significant accounting policies and select explanatory notes (together hereinafter referred as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements:

- (i) includes the financial information of the following entities:

S. No.	Name of the entities
<b>A</b>	<b>Parent Entity</b>
1	Brookfield India Real Estate Trust
<b>B</b>	<b>Subsidiaries</b>
1	Shantiniketan Properties Private Limited
2	Candor Kolkata One Hi-Tech Structures Private Limited
3	Festus Properties Private Limited
4	Seaview Developers Private Limited
5	Candor India Office Parks Private Limited

- (ii) gives the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the consolidated state of affairs of the Group as at 31 March 2022, its consolidated profit including other comprehensive income, consolidated cash flows, consolidated statement of changes in Unitholders' equity, for the year ended 31 March 2022, net assets at fair value as at 31 March 2022, its total return at fair value of the REIT for the year ended 31 March 2022 and statement of Net Distributable Cash Flow of the REIT and each of the subsidiaries for the year ended 31 March 2022 and other financial information of the Group.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on

# Deloitte Haskins & Sells

Auditing (SA) issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibility for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI and have fulfilled our ethical responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Emphasis of matter

We draw attention to Note 15(a)(i) of the consolidated financial statements which describes the presentation of "Unit Capital" as "Equity" to comply with REIT Regulations. Our opinion is not modified in respect of this matter.

## Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Fair Value of investment properties:</p> <p>In accordance with REIT Regulations, the REIT discloses Statement of Net Assets at Fair Value and Statement of Total Return at Fair Value which requires fair valuation of assets and liabilities. As at 31 March 2022, fair value of total assets was Rs. 170,891.54 million; out of which fair value of investment property is Rs. 160,361.13 million representing 94% of the fair value of total assets.</p> <p>The fair value of investment property is determined by an independent valuer using discounted cash flow method.</p> <p>While there are several assumptions that are required to determine the fair value of investment property; assumptions with the highest degree of estimate, subjectivity and impact on fair values are forecasted market rent, terminal capitalization rate and discount rate. Auditing these assumptions required a high degree of auditor judgement as the estimates made by the independent valuer contains significant measurement uncertainty.</p> <p>Refer Statement of Net assets at fair value and Statement of total return at fair value in the consolidated financial statements.</p>	<p>Principal Audit Procedures Performed:</p> <p>Our audit procedures related to the forecasted market rent, terminal capitalization rates and discount rate used to determine the fair value of investment property included the following, among others:</p> <ul style="list-style-type: none"> <li>• We obtained the independent valuer's valuation reports to obtain an understanding of the source of information used by the independent valuer in determining these assumptions.</li> <li>• We tested the reasonableness of inputs, shared by management with the independent valuer by comparing it to source information used in preparing the inputs such as rent rolls.</li> <li>• We evaluated the reasonableness of management's forecasted market rent by comparing it with sample of lease agreements for ongoing rentals, contractual lease escalations and other market information, as applicable.</li> <li>• With the assistance of our fair valuation specialist, we evaluated the reasonableness of forecasted market rent, terminal capitalization rates and discount rate by comparing it with market information such as recent market transactions for comparable properties, market surveys by property consultants and broker quotes, as applicable.</li> </ul>

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**Information Other than the Financial Statements and Auditor’s Report Thereon**

- Brookprop Management Services Private Limited (the “Investment Manager”) in its capacity as an Investment Manager is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 ‘The Auditor’s responsibilities Relating to Other Information’.

**Management’s Responsibility for the Consolidated Financial Statements**

The Board of Directors of the Investment Manager (the “Board”) is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows, consolidated changes in unitholders’ equity of the Group, net assets at fair value, total return at fair value and Statement of Net Distributable Cash Flow of the REIT and each of the subsidiaries and other financial information of the Group in conformity with the REIT regulations, the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. The Board and the respective Board of Directors of the SPV’s included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Board of the REIT, as aforesaid.

In preparing the consolidated financial statements, the Board and the respective Board of Directors of the SPV’s included in the Group are responsible for assessing the ability of the REIT and respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board along with respective Board of Directors of the SPV’s either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board and the respective Board of Directors of the SPV’s included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of such internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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We communicate with those charged with governance of the REIT and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

Based on our audit and as required by REIT regulations, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Unitholders' Equity, Statement of Net Assets at fair value, Statement of Total Return at fair value and Statement of Net Distributable Cash Flow of the REIT and each of the subsidiaries dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
- c) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT Regulations.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Reg. No. 015125N)

Sd/-  
Anand Subramanian  
Partner

Place: Bengaluru  
Date: May 18, 2022

(Membership No. 110815)  
(UDIN: 22110815AJEFYA2327)

**Brookfield India Real Estate Trust**  
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(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Balance Sheet**

Particulars	Note	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	3	154.90	101.17
Investment property	4	134,419.98	100,179.76
Investment property under development	4	1,745.46	791.74
Intangible assets	3	0.13	0.42
Financial assets			
-Other financial assets	5	1,437.33	799.21
Deferred tax assets (net)	6	3,755.46	2,641.23
Non-current tax assets (net)	7	2,416.27	1,527.81
Other non-current assets	8	175.54	38.04
<b>Total non-current assets</b>		<b>144,105.07</b>	<b>106,079.38</b>
<b>Current assets</b>			
Financial assets			
-Trade receivables	9	224.88	241.35
-Cash and cash equivalents	10	2,043.65	3,155.19
-Other bank balances	11	506.49	150.65
-Loans	12	-	-
-Other financial assets	13	755.31	163.14
Other current assets	14	222.58	157.31
<b>Total current assets</b>		<b>3,752.91</b>	<b>3,867.64</b>
<b>TOTAL ASSETS</b>		<b>147,857.98</b>	<b>109,947.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unit Capital	15	89,867.31	81,774.78
Other equity	16	(1,046.38)	252.75
<b>Total equity</b>		<b>88,820.93</b>	<b>82,027.53</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Financial liabilities			
-Borrowings	17	50,993.53	21,015.17
-Lease liabilities		220.44	87.12
-Other financial liabilities	18	1,329.30	1,412.27
Provisions	19	18.91	10.86
Other non-current liabilities	20	645.93	386.47
<b>Total non-current liabilities</b>		<b>53,208.11</b>	<b>22,911.89</b>



**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Balance Sheet**

Particulars	Note	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
<b>Current liabilities</b>			
Financial liabilities			
-Borrowings	21	661.81	-
-Lease liabilities		27.73	10.42
-Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		17.34	7.83
Total outstanding dues of creditors other than micro enterprises and small enterprises		620.17	437.67
-Other financial liabilities	23	4,061.26	4,073.28
Provisions	24	7.32	4.49
Other current liabilities	25	312.67	353.52
Current tax liabilities (net)	26	120.64	120.39
<b>Total current liabilities</b>		<b>5,828.94</b>	<b>5,007.60</b>
<b>Total liabilities</b>		<b>59,037.05</b>	<b>27,919.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>147,857.98</b>	<b>109,947.02</b>

Significant accounting policies 2

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2022

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2022

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2022

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Statement of Profit and Loss**

Particulars	Note	For the year ended 31 March 2022 (Audited)	From 17 July 2020 to 31 March 2021 (Audited)*
<b>Income and gains</b>			
Revenue from operations	27	8,767.91	1,309.42
Other income	28	224.23	51.65
<b>Total income</b>		<b>8,992.14</b>	<b>1,361.07</b>
<b>Expenses and losses</b>			
Cost of material consumed	29	24.02	2.48
Employee benefits expenses	30	196.85	28.10
Finance costs	31	2,080.69	410.77
Depreciation and amortization expenses	32	2,084.77	316.75
Investment management fees		81.21	-
Valuation expenses		11.60	5.78
Trustee fees		2.95	2.21
Other expenses	33	2,268.06	445.55
<b>Total expenses</b>		<b>6,750.15</b>	<b>1,211.64</b>
<b>Profit before income tax</b>		<b>2,241.99</b>	<b>149.43</b>
<b>Tax expense:</b>	34		
Current tax			
-for current period		27.96	0.44
-for earlier years		(3.81)	18.89
Deferred tax charge/ (credit)		(245.01)	(122.93)
<b>Tax expense for the year/ period</b>		<b>(220.86)</b>	<b>(103.60)</b>
<b>Profit for the year/ period after income tax</b>		<b>2,462.85</b>	<b>253.03</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		1.19	(0.35)
- Income tax related to items that will not be reclassified to profit or loss		(0.20)	0.07
<b>Other comprehensive income / (Loss) for the year/ period, net of tax</b>		<b>0.99</b>	<b>(0.28)</b>
<b>Total comprehensive income for the year/ period</b>		<b>2,463.84</b>	<b>252.75</b>
<b>Earnings per unit</b>			
Basic	41	7.97	4.26
Diluted		7.97	4.26
Significant accounting policies	2		

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

\* Since Brookfield India REIT was registered pursuant to a trust deed dated 17 July 2020, the management has provided the information in Consolidated Statement of Profit and Loss with effect from said date i.e. 17 July 2020 for the year ended 31 March 2021.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2022

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Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2022

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Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2022

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

(All amounts are in Rupees Millions unless otherwise stated)

**Consolidated Statement of Cash Flows**

Particulars	For the year ended 31 March 2022 (Audited)	From 17 July 2020 to 31 March 2021 (Audited)*
<b>Cash flows from operating activities :</b>		
Profit before tax	2,241.99	149.43
<i>Adjustments for :</i>		
Depreciation and amortization expense	2,084.77	316.75
Allowance for expected credit loss	10.08	0.05
Interest income on fixed deposit	(71.05)	(3.21)
Deferred income amortization	(161.06)	(21.01)
Advances written off	-	1.27
Credit impaired	10.77	23.32
Restricted Stock Units	0.55	-
Property, plant and equipment written off	-	0.15
Finance cost	2,080.69	410.77
Interest income on security deposit	(28.38)	(2.49)
Fair value gain on income support	(31.58)	-
<b>Operating cash flows before working capital changes</b>	<b>6,136.78</b>	<b>875.03</b>
<b>Movement in working capital:</b>		
(Increase)/Decrease in other current and non current assets	(34.88)	25.76
Decrease in current and non current financial assets	42.89	331.76
(Decrease) in current and non current financial liabilities	(138.05)	(118.35)
Increase/(Decrease) in other current and non current liabilities	227.31	(291.48)
<b>Cash generated from operating activities</b>	<b>6,234.05</b>	<b>822.72</b>
Income taxes (paid)/ refunds received (net)	(174.85)	573.50
<b>Net cash generated from operating activities (A)</b>	<b>6,059.20</b>	<b>1,396.22</b>
<b>Cash flows from investing activities :</b>		
Expenditure incurred on investment property	(873.33)	(132.59)
Purchase of property, plant and equipment	(42.42)	(4.52)
Payment for acquisition of subsidiary, including directly attributable expenses	(13,258.02)	-
Fixed deposits matured#	273.29	-
Fixed deposits made #	(223.56)	(347.40)
Interest received on fixed deposits	61.95	1.11
Interest received on security deposit	28.38	2.49
<b>Net cash used in investing activities (B)</b>	<b>(14,033.71)</b>	<b>(480.91)</b>
<b>Cash flows from financing activities :##</b>		
Finance costs paid	(2,152.60)	(592.85)
Proceeds from long-term borrowings	15,909.99	21,200.00
Repayment of Lease liabilities	(11.02)	-
Repayment of non convertible bonds	-	(256.00)
Repayment of long-term borrowings	(5,627.38)	(56,620.43)
Proceeds from issue of Units	4,949.83	38,000.00
Expense incurred towards Initial public offerings	(1,201.97)	(268.14)
Expense incurred towards preferential allotment	(44.92)	-
Distribution to unitholders	(5,147.53)	-
<b>Net cash generated from financing activities (C)</b>	<b>6,674.40</b>	<b>1,462.58</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(1,300.11)</b>	<b>2,377.89</b>
<b>Cash and cash equivalents at the beginning of the year/ period</b>	<b>3,155.19</b>	<b>-</b>
<b>Cash and cash equivalents acquired due to asset acquisition:</b>	<b>188.57</b>	<b>777.30</b>
<b>Cash and cash equivalents at the end of the year/ period (refer note 10)</b>	<b>2,043.65</b>	<b>3,155.19</b>

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

(All amounts are in Rupees Millions unless otherwise stated)

**Consolidated Statement of Cash Flows**

Particulars	For the year ended 31 March 2022 (Audited)	From 17 July 2020 to 31 March 2021 (Audited)*
<b>Components of cash and cash equivalents at the end of the year/ period</b>		
Balances with banks		
- in current account	193.65	1,132.32
- in deposit account	1,850.00	590.00
- in escrow account	-	1,432.87
	<b>2,043.65</b>	<b>3,155.19</b>

# Represents fixed deposits with original maturity of more than 3 months.

## Refer note 17(b) for changes in liabilities arising from financing activities.

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard -7 : "Statement on Cash Flows".

2. Non-cash investing activities disclosed in other notes is towards partial settlement on assets acquisition of SDPL Noida on 24 January 2022 through the issue of units (refer note 47).

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

\* Since Brookfield India REIT was registered pursuant to a trust deed dated 17 July 2020, the management has provided the information in Consolidated Statement of Cash Flows with effect from said date i.e. 17 July 2020 for the year ended 31 March 2021.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2022

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2022

**Alok Aggarwal**  
Chief Executive Officer  
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Date: 18 May 2022

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees million unless otherwise stated)

**Consolidated Statement of Changes in Unitholder's Equity**

	Unit in Nos.	Amount
<b>(a) Unit Capital</b>		
<b>Balance as on 17 July 2020*</b>	-	-
Add: Units issued (refer note 15)	302,801,601	83,270.44
Less: Issue expenses	-	(1,495.66)
<b>Balance at the end of the previous reporting period 31 March 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>
<b>Balance as on 01 April 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>
<b>Changes in unit capital during the current year:</b>		
Less: Distribution to Unitholders for the quarter ended 30 June 2021#	-	(297.05)
Less: Distribution to Unitholders for the quarter ended 30 September 2021#	-	(605.60)
Less: Distribution to Unitholders for the quarter ended 31 December 2021#	-	(481.45)
Add: Reversal of issue expenses no longer payable	-	25.55
Add: Units issued during the year (refer note 15)	32,285,472	9,500.00
Less: Expense incurred towards preferential allotment	-	(48.92)
<b>Balance at the end of the current reporting year 31 March 2022</b>	<b>335,087,073</b>	<b>89,867.31</b>

**(b) Other equity**

Particulars	Retained earnings
<b>Balance at 17 July 2020*</b>	-
Profit for the period ended 31 March 2021	253.03
Other comprehensive income for the period ended 31 March 2021	(0.28)
<b>Add: Total Comprehensive Income for the previous period</b>	<b>252.75</b>
<b>Balance as at 31 March 2021</b>	<b>252.75</b>
<b>Balance as on 01 April 2021</b>	<b>252.75</b>
Add: Profit for the year ended 31 March 2022	2,462.85
Add: Other comprehensive income for the year ended 31 March 2022	0.99
<b>Add: Total Comprehensive Income for the current year</b>	<b>2,463.84</b>
Less: Distribution to Unitholders for the quarter ended 30 June 2021#	(1,519.76)
Less: Distribution to Unitholders for the quarter ended 30 September 2021#	(1,211.21)
Less: Distribution to Unitholders for the quarter ended 31 December 2021#	(1,032.55)
Add: Restricted Stock Units	0.55
<b>Balance as at 31 March 2022</b>	<b>(1,046.38)</b>

#The distributions made by Trust to its Unitholders are based on the Net Distributable Cash flows (NDCF) of Brookfield India REIT under the REIT Regulations. (Refer foot note 2, 3 and 4 of Net Distributable Cash Flows of Brookfield India REIT - Standalone)

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

\* Since Brookfield India REIT was registered pursuant to a trust deed dated 17 July 2020, the management has provided the information in Consolidated Statement of changes in Unitholder's Equity with effect from said date i.e. 17 July 2020 for period ended 31 March 2021.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
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Membership No: 110815  
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Date: 18 May 2022

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Statement of Net Assets at Fair Value**

S.No	Particulars	As at 31 March 2022		As at 31 March 2021	
		Book Value	Fair value	Book Value	Fair value
A	Assets	147,857.98	170,891.54	109,947.02	123,783.52 (refer note 2 below)
B	Liabilities	(59,037.05)	(59,037.05)	(27,919.49)	(27,919.49)
C	<b>Net Assets ( A-B)</b>	<b>88,820.93</b>	<b>111,854.49</b>	<b>82,027.53</b>	<b>95,864.03</b>
D	No. of units	335,087,073	335,087,073	302,801,601	302,801,601
E	<b>NAV per unit (C/D)</b>	<b>265.07</b>	<b>333.81</b>	<b>270.90</b>	<b>316.59</b>

**Measurement of fair values**

The fair value of investment properties and investment property under development has been determined by independent external registered property valuers, having appropriately recognized professional qualifications and recent experience in the location and category of the properties being valued.

**Valuation technique**

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 sq. ft. 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 vs secondary), tenant credit quality, lease terms and investors expected return.

For fair valuation of financial assets and financial liabilities refer note 37.

**Notes**

1. Candor Kolkata has plans to de-notify a portion of its SEZ into non SEZ. The denotification will be taken up prior to the construction commencement and is procedural in nature. Hence, the fair valuation of such SEZ portion has been computed by the valuers assuming non IT use.

2. Project wise break up of Fair value of Assets :

**As at 31 March 2022**

Entity and Property name	Fair value of Investment property and Investment property under development	Other assets at book value	Total assets
Candor Kolkata One Hi-Tech Structures Private Limited	70,806.53	3,776.76	74,583.29
Shantiniketan Properties Private Limited	21,329.32	751.69	22,081.01
Festus Properties Private Limited	27,258.00	1,972.85	29,230.85
Seaview Developers Private Limited	40,967.28 *	2,118.61	43,085.89
Candor India Office Parks Private Limited	-	107.41	107.41
Brookfield India Real Estate Trust	-	1,803.09	1,803.09
	<b>160,361.13</b>	<b>10,530.41</b>	<b>170,891.54</b>

\*Includes Rs. 1,162.13 millions of finance receivable relating to income support and corresponding amount has been reduced from other assets.

**As at 31 March 2021**

Entity and Property name	Fair value of Investment property and Investment property under development	Other assets at book value	Total assets
Candor Kolkata One Hi-Tech Structures Private Limited	69,195.00	4,390.41	73,585.41
Shantiniketan Properties Private Limited	20,121.00	798.57	20,919.57
Festus Properties Private Limited	25,492.00	1,909.55	27,401.55
Candor India Office Parks Private Limited	-	211.78	211.78
Brookfield India Real Estate Trust	-	1,665.21	1,665.21
	<b>114,808.00</b>	<b>8,975.52</b>	<b>123,783.52</b>

- a. Fair values of assets as disclosed above are the fair values of the total assets of all SPVs as included in the Consolidated Financial Statements.
- b. Fair values of investment property and investment property under development as at 31 March 2022 and 31 March 2021 as disclosed above are solely based on the fair valuation report of the independent external registered valuer appointed under the REIT Regulations.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
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**Anand Subramanian**  
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Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Statement of Total Return at Fair Value**

S.No	Particulars	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
A	Total comprehensive Income	2,463.84	252.75
B	Add/(Less) : Changes in fair value not recognized -Investment Property	7,079.58	521.82
<b>C (A+B) Total Return</b>		<b>9,543.42</b>	<b>774.57</b>

The REIT acquired SPVs on 8 February 2021 and 24 January 2022 as fully described in Note 1. In the above statement, changes in fair value for the year ended 31 March 2022 and period ended 31 March 2021 has been computed based on the difference in fair values of investment properties and investment property under development as at 31 March 2022 and 31 March 2021 as compared with the values as at 31 March 2021 and 08 February 2021 respectively after adjusting change in book value of investment properties and investment property under development. The fair values of the aforementioned assets as at 31 March 2022 and 31 March 2021 are solely based on the valuation report of the independent registered valuer appointed under the REIT Regulations.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

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**Brookfield India Real Estate Trust**  
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Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
(i) Brookfield India REIT - Standalone

Sr No. Particulars	For the year ended 31 March 2022
1 Cash flows received from Asset SPVs, CIOP/Operating Service Provider and any investment entity in the form of:	
• Interest (net of applicable taxes, if any)	4,640.38
• Dividends (net of applicable taxes, if any)	222.00
• Repayment of Shareholder Debt (or debentures and other similar instruments)	16,170.00
• Proceeds from buy-backs/ capital reduction/ redemptions (net of applicable taxes)	-
2 Add: Proceeds from sale, (transfer or liquidation or redemption or otherwise realization) of investments (including cash equivalents), assets or shares of/interest in Asset SPVs, or any form of fund raise at Brookfield REIT level, adjusted for the following:	4,949.83
• Applicable capital gains and other taxes	-
• Related debts settled or due to be settled from sale proceeds	-
• Directly attributable transaction costs	(168.38)
• Proceeds reinvested or planned to be reinvested as per REIT Regulations	(4,781.45)
• Investment in shares or debentures or shareholder debt of Asset SPVs and/ or CIOP/ Operating Service Provider or other similar investments	-
• Lending to Assets SPVs and/ or CIOP/ Operating Service Provider	-
3 Add: Proceeds from sale (transfer or liquidation or redemption or otherwise realization) of investments, assets or shares of/ interest in Asset SPVs not distributed pursuant to an earlier plan to re-invest as per REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4 Add: Any other income received at the Brookfield REIT level and not captured herein, or refund/ waiver/ cessation of any expenses/ liability.	28.37
5 Less: Any other expense (whether in the nature of revenue or capital expenditure) or any liability or other payouts required at the Brookfield REIT level, and not captured herein	(145.72)
6 Less: Any payment of fees, including but not limited to:	
• Trustee fees	(5.16)
• REIT Management Fees	(62.86)
• Valuer fees	(12.66)
• Legal and professional fees	(16.25)
• Trademark license fees	-
• Secondment fees	-
7 Add: Cash flow received from Asset SPV and investment entity, if any including to the extent not covered above:	
• repayment of the debt in case of investments by way of debt	-
• proceeds from buy-backs/ capital reduction	-
8 Add/(Less): Debt drawdown/ (payment) of interest and repayment on external debt (including any loans, bonds, debentures or other form of debt funding) at the Brookfield REIT level	-
9 Less: Income tax and other taxes (if applicable) at the standalone Brookfield REIT level (net of any tax refunds)	(8.56)
10 Add/(Less): Cash inflows and outflows in relation to any real estate properties held directly by the Brookfield REIT, to the extent not covered above (if any)	-
11 Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	(13,924.96)
<b>NDCF</b>	<b>6,884.58</b>

a) The difference between SPV level NDCF and REIT level NDCF is primarily on account of utilization of opening cash at the SPV level.

**Notes:**

- The Board of Directors of the Manager to the Trust, in their meeting held on 18 May 2022, have declared distribution to Unitholders of Rs. 5.10 per unit which aggregates to Rs. 1,708.94 million for the quarter ended 31 March 2022. The distributions of Rs. 5.10 per unit comprises Rs. 2.86 per unit in the form of interest payment on shareholder loan and CCD's, Rs. 0.07 per unit in the form of dividend, Rs. 2.15 per unit in the form of repayment of SPV debt and the balance Rs. 0.02 per unit in the form of interest on fixed deposit.
- The Board of Directors of the Manager to the Trust, in their meeting held on 11 February 2022, have declared distribution to Unitholders of Rs. 5.00 per unit which aggregates to Rs. 1,514.01 million for the quarter ended 31 December 2021. The distributions of Rs. 5.00 per unit comprises Rs. 3.28 per unit in the form of interest payment on shareholder loan, Rs. 0.10 per unit in the form of dividend, Rs. 1.59 per unit in the form of repayment of SPV debt and the balance Rs. 0.03 per unit in the form of interest on fixed deposit.
- The Board of Directors of the Manager to the Trust, in their meeting held on 09 November 2021, had approved distribution to Unitholders of Rs. 6.00 per unit which aggregates to Rs. 1,816.81 million for the quarter ended 30 September 2021. The distributions of Rs. 6.00 per unit comprises Rs. 3.88 per unit in the form of interest payment on shareholder loan, Rs. 0.09 per unit in the form of dividend, Rs. 2.00 per unit in the form of repayment of SPV debt and the balance Rs. 0.03 per unit in the form of interest on fixed deposit.
- The Board of Directors of the Manager to the Trust, in their meeting held on 10 August 2021, had approved distribution to Unitholders of Rs. 6.00 per unit which aggregated to Rs. 1,816.81 million for the quarter ended 30 June 2021. The distributions of Rs. 6.00 per unit comprised of Rs. 4.57 per unit in the form of interest payment on shareholder loan and CCD's, Rs. 0.45 per unit in the form of dividend, Rs. 0.98 per unit in the form of repayment of SPV debt and the balance Rs. 0.003 per unit in the form of interest on fixed deposit.
- Statement of Net Distributable cash flows has not been disclosed for year ending 31 March 2021, since the first distribution of the REIT as stated in Final Offer Document was made upon completion of the first full quarter i.e., quarter ended 30 June 2021 after the listing of the Units on the Stock Exchanges.
- NDCF for the year ended 31 March 2022 is computed in accordance with the NDCF framework under the Distribution Policy as approved in the Offer Document.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2022

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2022

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2022

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022



**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees million unless otherwise stated)

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016  
(ii) Calculation of net distributable cash flows at each Asset SPV

Sr. No.	Particulars	For the year ended 31 March 2022					
		Candor Kolkata	SPPL Noida	CIOF	Festus	SDPL Noida	Total
1	Profit / (Loss) after tax as per statement of profit and loss (standalone) (A)	(514.85)	(119.14)	39.00	(554.66)	(14.88)	(1,164.53)
	<b>Adjustment</b>						
2	Add: Depreciation, amortization and impairment as per Statement of profit and loss	671.80	290.86	1.09	256.24	97.32	1,317.31
3	Add/(Less): Any other item of non-cash expense/ non -cash income (net of actual cash flows for these items), as may be deemed necessary by the Manager. For example, any decrease/ increase in carrying amount of an asset or of a liability recognized in statement of profit and loss/income and expenditure on measurement of the asset or the liability at fair value, interest cost as per effective interest rate method, deferred tax, lease rents recognized on a straight line basis, etc.	(255.18)	(51.29)	2.18	197.33	(105.47)	(212.43)
4	Add/less: Loss/gain on sale, transfer/ disposal/ liquidation of real estate assets, investments (including cash equivalents), other assets or shares of / interest in Asset SPVs.	-	-	-	-	-	-
5	Add: Proceeds from sale / liquidation/transfer/ disposal of real estate assets, investments (including cash equivalents), assets or shares of / interest in Asset SPVs, adjusted for the following: • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Any acquisition • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per REIT Regulations • Investment in any form as permitted under the REIT Regulations as may be deemed necessary by the Manager	-	-	-	-	-	-
6	Add: Proceeds from sale of real estate assets, investments, assets or sale of shares of Asset SPVs not distributed pursuant to an earlier plan to re-invest as per REIT Regulations, if such proceeds are not intended to be invested subsequently.	-	-	-	-	-	-
7	Add: Interest (or other similar payments) on Shareholder Debt (or on debentures or other instruments held by the Brookfield REIT) charged/ debited to the statement of profit and loss.	2,722.64	440.99	-	966.92	122.87	4,253.42
8	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, deferred/prepaid income or deferred/ prepaid expenditure, etc.*	593.47	187.52	78.73	(46.14)	5,980.70	6,794.28
9	Less: Any expense in the nature of capital expenditure including capitalized interest thereon (to the parties other than Brookfield REIT), capitalized overheads, etc.	(238.70)	(379.08)	(3.02)	(84.28)	(210.67)	(915.75)
10	Add/(Less): Net debt (repayment)/ drawdown/ (redemption) of preference shares/ debentures/ any other such instrument/ premiums/accrued interest/ any other obligations/ liabilities etc., to parties other than Brookfield REIT, as may be deemed necessary by the Manager.	12,365.05	1,592.15	-	1,808.50	(5,627.38)	10,138.32
11	Add: Cash inflows in relation to equity/ non-refundable advances, etc.	-	-	-	-	-	-
12	Less: Any dividends on or proceeds from repayments or redemptions or buy-backs or capital reduction of shares (including compulsory convertible instruments), held by anyone other than the Brookfield REIT (either directly or indirectly), and any taxes thereon (including any dividend distribution tax or buy back distribution tax, etc., if applicable).	-	-	-	-	-	-
	<b>Total adjustments (B)</b>	<b>15,859.08</b>	<b>2,081.15</b>	<b>78.98</b>	<b>3,098.57</b>	<b>257.37</b>	<b>21,375.15</b>
	<b>NDCF (C) = (A+B)</b>	<b>15,344.23</b>	<b>1,962.01</b>	<b>117.98</b>	<b>2,543.91</b>	<b>242.49</b>	<b>20,210.62</b>

\*NDCF for the year ending 31 March 2022 includes NDCF for the period 08 February 2021 to 31 March 2021 amounting to Rs. 759.47 million which has been included in other adjustment.

Note :  
1 Statement of Net Distributable cash flows has not been disclosed for year ending 31 March 2021, since the first distribution of the REIT as stated in Final Offer Document was made upon completion of the first full quarter i.e. quarter ended 30 June 2021 after the listing of the Units on the Stock Exchanges.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 53 form an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Bengaluru  
Date: 18 May 2022

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2022

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2022

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
**(All amounts are in Rupees millions unless otherwise stated)**

**1 Organization structure**

The Consolidated Financial Statements ('Consolidated Financial Statements') comprise financial statements of Brookfield India Real Estate Trust ('Brookfield India REIT' or 'Trust') and its subsidiaries namely Shantiniketan Properties Private Limited ('SPPL Noida'), Candor Kolkata One Hi-Tech Structures Private Limited ('Candor Kolkata'), Festus Properties Private Limited ('Festus'), Seaview Developers Private Limited ('SDPL Noida') and Candor India Office Parks Private Limited ('CIOP') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Brookfield India REIT Portfolio companies' or 'Group'). The SPVs are companies domiciled in India.

Brookprop Management Services Private Limited (the 'Settlor') has set up the Brookfield India Real Estate Trust on 17 July 2020, as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 14 September 2020 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Brookfield India Real Estate Trust is Axis Trustee Services Limited (the 'Trustee') and the Manager for Brookfield India Real Estate Trust is Brookprop Management Services Private Limited (the 'Manager').

The objectives of Brookfield India REIT is to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of Brookfield India REIT is to own and invest in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders.

**Activities during the period ended 31 March 2021:**

Brookfield India REIT acquired the following SPVs by acquiring all the equity interest held by the Sponsor and certain members of Sponsor Group (refer note 43) on 08 February 2021. In exchange for these equity interests, the above shareholders have been allotted 127,892,403 Units of Brookfield India REIT valued at Rs. 275/- each.

Brookfield India REIT went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the successful applicants on 08 February 2021 and 11 February 2021.

All these Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 16 February 2021.

The brief activities and shareholding pattern of the SPVs are provided below:

<u>Name of SPV</u>	<u>Activities</u>	<u>Shareholding up to 08 February 2021 (in percentage)</u>	<u>Shareholding from 08 February 2021 (in percentage)</u>
SPPL Noida	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS sector in Sector 62, Noida, Uttar Pradesh.	BSREP India Office Holdings Pte. Ltd.: 100% BSREP Moon C1 L.P.: 0.00% (10 Shares)	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
Candor Kolkata	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in New Town, Rajarhat, Kolkata and Sector 21, Dundaheera Gurugram	BSREP India Office Holdings V Pte. Ltd.: 99.97% BSREP India Office Holdings Pte. Ltd.: 0.03%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
CIOP	Providing management related service including facilities management service and property management services.	BSREP Moon C1 L.P.: 99.99% BSREP Moon C2 L.P. : 0.01%	Brookfield India REIT : 100% Candor Kolkata One Hi-Tech Structures Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
Festus	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in Powai, Mumbai.	Kairos Property Managers Pvt. Ltd.:10.76% BSREP II India Office Holdings II Pte. Ltd.:89.24%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)

**Activities during the year ended 31 March 2022:**

Brookfield India REIT acquired the following Special Purpose Vehicle ('SPV') by acquiring all the equity interest held by certain members of Sponsor Group (refer note 43) on 24 January 2022. In exchange for these equity interests, the above shareholders have been paid cash of Rs. 8,334.57 million and allotted 15,463,616 Units of Brookfield India REIT valued at Rs. 294.25 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 01 February 2022.

<u>Name of SPV</u>	<u>Activities</u>	<u>Shareholding up to 23 January 2022 (in percentage)</u>	<u>Shareholding from 24 January 2022 (in percentage)</u>
Seaview Developers Private Limited ('SDPL Noida')	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in Sector 135, Noida, Uttar Pradesh.	BSREP India Office Holding IV Pte. Ltd.: 99.96% BSREP India Office Holdings Pte. Ltd.: 0.04%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)

# Brookfield India Real Estate Trust

## Consolidated Financial Statements

### Notes to the Consolidated financial statements

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## 2. Basis of preparation and significant accounting policies

### 2.1 Basis of preparation of Consolidated financial statements

The Consolidated Financial Statements of Brookfield India REIT comprises

- the Consolidated Balance Sheet,
- the Consolidated Statement of Profit and Loss (including other comprehensive income),
- the Consolidated Statement of Cash Flows
- the Consolidated Statement of Changes in Unitholders' Equity,
- a summary of significant accounting policies and other explanatory information.

Additionally, it includes the Statement of Net Assets at Fair Value, the Statement of Total Returns at Fair Value, the Statement of Net Distributable Cash Flow of Brookfield India REIT and each of the SPVs and other additional financial disclosures as required under the SEBI (Real Estate Investment Trusts) Regulations, 2014. The Consolidated Financial Statements were authorized for issue in accordance with resolutions passed by the Board of Directors of the Manager on behalf of the Brookfield India REIT on 18 May 2022. The Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time read with the SEBI circular number CIR/IMD/DF/146/2016 dated 29 December 2016 ("REIT Regulations"); Indian Accounting Standard, as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') to the extent not inconsistent with the REIT Regulations (refer note 15(a)(i) on 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.

The Consolidated Financial Statements are presented in Indian Rupees in Millions, except when otherwise indicated.

#### Statement of compliance to Ind AS:

These Consolidated financial statements for the year ended 31 March 2022 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the REIT regulations as more fully described above and in Note 15(a)(i) to the consolidated financial statements.

## 2.2 Significant accounting policies

### a) Basis of Consolidation

The Brookfield India REIT consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Brookfield India REIT and its subsidiary SPVs as disclosed in Note 1. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The procedure adopted for preparing Consolidated Financial Statements of Brookfield India REIT is stated below:

- i) The Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 - Consolidated Financial Statements.

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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- ii) The financial statements of the Group are consolidated by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows.
- iii) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of Brookfield India REIT are eliminated in full;
- iv) The figures in the notes to accounts and disclosures have been Consolidated line by line and intragroup transactions and balances including unrealized profit are eliminated in full on consolidation.

#### **b) Functional and presentation currency**

The Consolidated Financial Statements are presented in Indian rupees, which is Brookfield India REIT's functional currency and the currency of the primary economic environment in which Brookfield India REIT operates. All financial information presented in Indian rupees has been rounded off to nearest million except unit and per unit data.

#### **c) Basis of measurement**

The Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

The Consolidated Financial Statements have been prepared on a going concern basis.

#### **d) Use of judgments and estimates**

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles in India (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.

Estimates 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 (Note 15)
- (ii) determination of useful life of investment property (Note 2.2 (g))
- (iii) determination of recoverable amount / fair value of investment property (Note 2.2 (g), and Note 46), Statement of Net Assets at Fair Value, Statement of Total Return at Fair Value
- (iv) determination of lease term (Note 2.2 (n))
- (v) recognition / recoverability of deferred tax assets (Note 2.2 (p)) and note 45.

#### **e) Current versus non-current classification**

Brookfield India REIT presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification:

An asset is classified as current when it satisfies any of the following criteria:

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Brookfield India REIT classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in normal operating cycle of Brookfield India REIT;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Brookfield India REIT does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Brookfield India REIT classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/ liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **f) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Brookfield India REIT takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurement framework is adopted by Brookfield India REIT to determine the fair value of various assets and liabilities measured or disclosed at fair value.

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the Consolidated financial statements**

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**g) Investment properties**

*Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, import duties and other non-refundable purchase taxes, borrowing costs directly attributable to the development and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in Statement of profit and loss.

*Depreciation*

Investment property is depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of the investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	4 – 15
Furniture and Fixtures	5 – 12
Electrical fittings	4 – 15
Diesel generator sets	15 – 25
Air conditioners	15
Office Equipment	5 – 12
Kitchen Equipment	5
Computers	3 – 6
Right of Use (Leasehold Land)	As per lease term

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the Consolidated financial statements**

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The fair value of investment property is disclosed in the statement of net assets at fair value. Fair values are determined by an independent registered valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**h) Property, plant and equipment and intangible assets**

*Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of a property, plant and equipment is recognized in Statement of profit and loss.

*Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

Estimated useful lives of items of property, plant and equipment are tabulated as follows: -

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the Consolidated financial statements**

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	5 – 20
Furniture and Fixtures	3 – 14
Electrical fittings	10
Air conditioners	3 – 15
Office Equipment	4 – 15
Kitchen Equipment	5
Vehicle	8
Computers	3 – 14
Computer Software	5

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of 5 years, which represents the period over which the Brookfield India REIT expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

**i) Impairment of non-financial assets**

Brookfield India REIT assesses, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Brookfield India REIT estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the Consolidated Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the Consolidated Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill



## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **j) Foreign currency transactions**

Items included in the financial statements of the Brookfield India REIT are measured using the currency of the primary economic environment in which the Brookfield India REIT operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Brookfield India REIT functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the Statement of profit and loss.

#### **k) Errors, estimates and change in accounting policies**

The Brookfield India REIT revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the Consolidated Financial Statements. Changes in accounting policies are applied retrospectively, wherever applicable.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

#### **l) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **(i) Financial Assets - Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

###### **• Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

#### **• Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss is recognized in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

#### **• Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Brookfield India REIT may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Brookfield India REIT has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

#### **• Equity instruments measured at fair value through other comprehensive income (FVOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Brookfield India REIT may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Brookfield India REIT makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Brookfield India REIT decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Brookfield India REIT may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

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#### **(ii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Brookfield India REIT balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Brookfield India REIT has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Brookfield India REIT has transferred substantially all the risks and rewards of the asset, or (b) the Brookfield India REIT has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **(iii) Impairment of financial assets**

Brookfield India REIT recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date, is recognized as an impairment gain or loss in the Statement of profit and loss.

Trade Receivables are generally written off against the allowance only after all means of collection have been exhausted and the potential for recovery is considered remote.

#### **(iv) Financial liabilities – Recognition and Subsequent measurement**

Brookfield India REIT financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

Brookfield India REIT financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

##### **• Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Brookfield India REIT that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

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satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Brookfield India REIT may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Brookfield India REIT has not designated any financial liability as at fair value through profit or loss.

#### **• Financial liabilities at amortized cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### **(v) Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

#### **(vi) Income/loss recognition**

##### **• Interest income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Brookfield India REIT estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### **• Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The Brookfield India REIT considers practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

#### **(vii) Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

#### **m) Leases**

At inception of a contract, the Brookfield India REIT assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Brookfield India REIT assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Brookfield India REIT has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Brookfield India REIT has the right to direct the use of the asset. The Brookfield India REIT has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Brookfield India REIT has the right to direct the use of the asset if either:
  - the Brookfield India REIT has the right to operate the asset; or
  - the Brookfield India REIT designed the asset in a way that predetermines how and for what purpose it will be used.

#### **As a lessee**

The Brookfield India REIT recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Brookfield India REIT's incremental borrowing rate. Generally, the Brookfield India REIT uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Brookfield India REIT is reasonably certain to exercise, lease payments in an optional renewal period if the Brookfield India REIT is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Brookfield India REIT is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Brookfield India REIT's estimate of the amount expected to be payable under a residual value guarantee, or if the Brookfield India REIT changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Brookfield India REIT presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities (current and non-current) in the statement of financial position.

The Brookfield India REIT has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Brookfield India REIT recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **As a Lessor**

The Brookfield India REIT enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Brookfield India REIT is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Brookfield India REIT is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Brookfield India REIT's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Brookfield India REIT's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Brookfield India REIT applies Ind AS 115 to allocate the consideration under the contract to each component.

#### **n) Revenue recognition**

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and Services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

##### *i. Income from Operating Lease Rentals*

Assets given under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, management considers all facts and circumstances including renewal, termination and market conditions.

Income from Operating Lease Rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

##### *ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when the entity has satisfied its performance obligation by delivering services as per terms of contract entered into with tenants.

#### **o) Employee benefits**

Employee benefits include provident fund, gratuity and compensated absences.

##### *Provident fund*

The Brookfield India REIT 's contribution to provident fund is considered as defined contribution plans and is charged as an expense in statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

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#### *Gratuity*

Brookfield India REIT has an obligation towards gratuity, a defined post-employment benefits plan covering eligible employees. The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method; with actuarial valuations being carried out at each balance sheet date. Remeasurements comprising actuarial gains and losses are recognized immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Brookfield India REIT recognizes related restructuring costs or termination benefits, whichever is earlier.

#### *Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### *Other Long-term employee benefits*

The employees of the Brookfield India REIT are entitled to other long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

### **p) Taxation**

Income tax expense comprises current and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

#### *(i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.



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Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Consolidated Statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Brookfield India REIT will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### (ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Brookfield India REIT is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, Brookfield India REIT recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets—unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Brookfield India REIT expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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#### **q) Provisions and contingencies**

A provision is recognized when the Brookfield India REIT has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Brookfield India REIT or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Brookfield India REIT does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

#### **r) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

##### ***Identification of segments:***

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and assess their performance. An operating segment is a component of the Brookfield India REIT that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Brookfield India REIT's other components.

Based on an analysis of Brookfield India REIT's structure and powers conferred to the Manager to Brookfield India REIT, the Governing Board of the Manager (Brookprop Management Services Private Limited) has been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Brookfield India REIT is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

#### **s) Subsequent events**

The Consolidated Financial Statements are prepared after reflecting adjusting and non-adjusting events that occur after the reporting period but before the Consolidated Financial Statements are authorized for issue.

**Brookfield India Real Estate Trust**  
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**t) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**u) Earnings per unit**

Basic earnings per unit are calculated by dividing the net profit / (loss) for the period attributable to unit holders of the Brookfield India REIT by the weighted average number of units outstanding during the period.

For the purpose of calculating diluted earnings per unit, the profit or loss for the period attributable to unit holders of the Brookfield India REIT and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Dilutive potential units are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per unit, only potential equity units that are dilutive and which either reduces earnings per unit or increase loss per units are included.

**v) Business Combination/Asset Acquisition**

The amendment to Ind AS 103 Business Combinations clarifies 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 SPVs. Refer Note 47 of the financial statements for details.

**w) Consolidated Statement of Cash flows**

Consolidated Cash flows are reported using the indirect method, whereby Profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits.

**x) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the Consolidated financial statements**

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amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### **y) Cash distribution to Unitholders**

The Brookfield India REIT recognizes a liability to make cash distributions to Unitholders when the distribution is authorized and a legal obligation has been created. As per the REIT Regulations, a distribution is authorized when it is approved by the Board of Directors of the Manager. A corresponding amount is recognized directly in equity.

#### **z) Income support**

The income support that is an integral part of an acquisition transaction is treated as deduction in the acquisition cost of such investment property. Where the right to receive the income support is spread over a period of time, the right to receive the income support is recognized as a financial asset at fair value and subsequently measured at fair value through profit or loss.

#### **za) Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

**Ind AS 16- Property Plant and equipment** -The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

**Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets**-The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

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(All amounts are in Rupees millions unless otherwise stated)  
Notes to the Consolidated Financial Statements

3 Property, plant and equipment and Intangible assets

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance as at 01 April 2021	Additions due to assets acquisition*	Additions during the period	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 01 April 2021	Charge for the period	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>Assets (site)</b>											
Air conditioner	0.07	-	-	-	0.07	-	0.07	-	0.07	-	0.07
Computers	0.08	0.01	-	-	0.09	-	0.08	-	0.08	0.01	0.08
Plant and machinery	0.02	-	-	-	0.02	-	0.02	-	0.02	-	0.02
Furniture and fixtures	1.43	0.04	-	-	1.47	0.09	1.12	-	1.21	0.26	1.34
Office equipment	0.28	0.13	-	-	0.41	0.00	0.29	-	0.29	0.12	0.28
<b>Sub total</b>	<b>1.88</b>	<b>0.18</b>			<b>2.06</b>	<b>0.09</b>	<b>1.58</b>		<b>1.67</b>	<b>0.39</b>	<b>1.79</b>
<b>Assets (maintenance)</b>											
Air conditioner	3.11	1.28	(0.07)	-	4.32	0.07	0.72	-	0.79	3.53	3.04
Plant and machinery	66.54	26.51	33.87	(0.18)	126.74	1.02	7.96	-	8.98	117.76	65.52
Furniture and fixtures	26.69	0.87	5.59	-	33.15	0.89	5.07	-	5.96	27.19	25.80
Office equipment	4.87	0.39	3.12	-	8.38	0.52	2.47	-	2.99	5.39	4.35
Electrical fittings	0.60	-	-	-	0.60	0.01	0.07	-	0.08	0.52	0.59
Kitchen Equipments	0.08	0.08	0.00	-	0.16	0.00	0.04	-	0.04	0.12	0.08
<b>Sub total</b>	<b>101.89</b>	<b>29.13</b>	<b>42.51</b>	<b>(0.18)</b>	<b>173.35</b>	<b>2.51</b>	<b>16.33</b>		<b>18.84</b>	<b>154.51</b>	<b>99.38</b>
<b>TOTAL</b>	<b>103.77</b>	<b>29.31</b>	<b>42.51</b>	<b>(0.18)</b>	<b>175.41</b>	<b>2.60</b>	<b>17.91</b>		<b>20.51</b>	<b>154.90</b>	<b>101.17</b>
<b>Intangible Assets</b>											
Softwares	0.46	-	-	-	0.46	0.04	0.29	-	0.33	0.13	0.42
<b>GRAND TOTAL</b>	<b>104.23</b>	<b>29.31</b>	<b>42.51</b>	<b>(0.18)</b>	<b>175.87</b>	<b>2.64</b>	<b>18.20</b>		<b>20.84</b>	<b>155.03</b>	<b>101.59</b>

\*Above assets have been acquired as part of SDPL Noida assets acquisition. Refer note 2.1 basis for consolidation and note 47.

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance as at 18 July 2020	Additions due to assets acquisition*	Additions during the period	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 18 July 2020	Charge for the period	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
<b>Assets (site)</b>											
Air conditioner	-	0.07	-	-	0.07	-	-	-	-	0.07	-
Computers	-	0.08	-	-	0.08	-	-	-	-	0.08	-
Plant and machinery	-	0.02	-	-	0.02	-	-	-	-	0.02	-
Furniture and fixtures	-	1.45	-	(0.02)	1.43	-	0.09	-	0.09	1.34	-
Office equipment	-	0.28	-	-	0.28	-	0.00	-	0.00	0.28	-
<b>Sub total</b>	<b>-</b>	<b>1.90</b>	<b>-</b>	<b>(0.02)</b>	<b>1.88</b>	<b>-</b>	<b>0.09</b>	<b>-</b>	<b>0.09</b>	<b>1.79</b>	<b>-</b>
<b>Assets (maintenance)</b>											
Air conditioner	-	1.04	2.07	-	3.11	-	0.07	-	0.07	3.04	-
Plant and machinery	-	63.19	3.47	(0.12)	66.54	-	1.02	-	1.02	65.52	-
Furniture and fixtures	-	26.53	0.16	-	26.69	-	0.89	-	0.89	25.80	-
Office equipment	-	4.87	-	-	4.87	-	0.52	-	0.52	4.35	-
Electrical fittings	-	0.60	-	-	0.60	-	0.01	-	0.01	0.59	-
Kitchen Equipments	-	0.08	-	-	0.08	-	0.00	-	0.00	0.08	-
<b>Sub total</b>	<b>-</b>	<b>96.31</b>	<b>5.70</b>	<b>(0.12)</b>	<b>101.89</b>	<b>-</b>	<b>2.51</b>	<b>-</b>	<b>2.51</b>	<b>99.38</b>	<b>-</b>
<b>TOTAL</b>	<b>-</b>	<b>98.21</b>	<b>5.70</b>	<b>(0.14)</b>	<b>103.77</b>	<b>-</b>	<b>2.60</b>	<b>-</b>	<b>2.60</b>	<b>101.17</b>	<b>-</b>
<b>Intangible Assets</b>											
Softwares	-	0.46	-	-	0.46	-	0.04	-	0.04	0.42	-
<b>GRAND TOTAL</b>	<b>-</b>	<b>98.67</b>	<b>5.70</b>	<b>(0.14)</b>	<b>104.23</b>	<b>-</b>	<b>2.64</b>	<b>-</b>	<b>2.64</b>	<b>101.59</b>	<b>-</b>

\*Above assets have been acquired as part of assets acquisition. Refer note 2.1 basis for consolidation and note 47.

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4 Investment property

Particulars	Gross block					Accumulated depreciation				Net block	
	Balance As at 01 April 2021	Additions due to assets acquisition*	Additions during the period	Deletions/ Adjustments	Balance As at 31 March 2022	Balance As at 01 April 2021	Charge for the period	Deletions/ Adjustments	Balance As at 31 March 2022	Balance As at 31 March 2022	As at 31 March 2021
<b>Assets (constructed), given/expected to be given on operating lease</b>											
Freehold land	25,580.44	-	-	-	25,580.44	-	-	-	-	25,580.44	25,580.44
Buildings#	70,578.81	32,927.10	738.79	-	104,244.70	205.04	1,455.36	-	1,660.40	102,584.30	70,373.77
Air conditioners	1,209.98	638.01	75.87	-	1,923.86	22.77	168.57	-	191.34	1,732.52	1,187.21
Electrical fittings & equipment	806.00	378.42	77.67	-	1,262.09	30.92	153.06	-	183.98	1,078.11	775.08
Plant and machinery	880.66	412.69	45.16	-	1,338.51	17.91	119.76	-	137.67	1,200.84	862.75
Diesel generator sets	651.23	285.95	2.21	-	939.39	12.98	94.09	-	107.07	832.32	638.25
Furniture and fixtures	262.98	29.08	16.36	-	308.42	21.22	52.56	-	73.78	234.64	241.76
Right of use (leasehold land)	459.96	669.53	-	-	1,129.49	0.87	7.73	-	8.60	1,120.89	459.09
Office Equipment	16.87	0.60	0.98	-	18.45	1.01	4.61	-	5.62	12.83	15.86
Computers	1.14	0.04	0.01	-	1.19	0.06	0.35	-	0.41	0.78	1.08
<b>Sub total</b>	<b>100,448.07</b>	<b>35,341.42</b>	<b>957.05</b>	<b>-</b>	<b>136,746.54</b>	<b>312.78</b>	<b>2,056.09</b>	<b>-</b>	<b>2,368.87</b>	<b>134,377.67</b>	<b>100,135.29</b>
<b>Assets (food court), given/expected to be given on operating lease</b>											
Air conditioner	7.05	-	-	-	7.05	0.13	0.87	-	1.00	6.05	6.92
Furniture & fixtures	29.67	1.41	-	-	31.08	1.43	9.77	-	11.20	19.88	28.24
Plant and machinery	4.81	-	-	-	4.81	0.09	0.59	-	0.68	4.13	4.72
Office equipment	2.12	0.06	-	-	2.18	0.08	0.58	-	0.66	1.52	2.04
Kitchen equipment	2.52	1.14	9.79	-	13.45	0.17	2.55	-	2.72	10.73	2.35
Computers	0.20	-	-	-	0.20	-	0.20	-	0.20	0.00	0.20
<b>Sub total</b>	<b>46.37</b>	<b>2.61</b>	<b>9.79</b>	<b>-</b>	<b>58.77</b>	<b>1.90</b>	<b>14.56</b>	<b>-</b>	<b>16.46</b>	<b>42.31</b>	<b>44.47</b>
<b>Sub total - Investment Property</b>	<b>100,494.44</b>	<b>35,344.03</b>	<b>966.84</b>	<b>-</b>	<b>136,805.31</b>	<b>314.68</b>	<b>2,070.65</b>	<b>-</b>	<b>2,385.33</b>	<b>134,419.98</b>	<b>100,179.76</b>
<b>Investment property - under development**</b>											
Capital work in progress	791.74	1,110.75	724.77	(881.80)	1,745.46	-	-	-	-	1,745.46	791.74
<b>Sub total - Investment Property under development</b>	<b>791.74</b>	<b>1,110.75</b>	<b>724.77</b>	<b>(881.80)</b>	<b>1,745.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,745.46</b>	<b>791.74</b>
<b>Total</b>	<b>101,286.18</b>	<b>36,454.78</b>	<b>1,691.61</b>	<b>(881.80)</b>	<b>138,550.77</b>	<b>314.68</b>	<b>2,070.65</b>	<b>-</b>	<b>2,385.33</b>	<b>136,165.44</b>	<b>100,971.50</b>

\*Above assets have been acquired as part of SDPL Noida assets acquisition. Refer note 2.1 basis for consolidation and note 47.

# Buildings net block includes Rs. 36,071.94 millions (31 March 2021: Rs. 36,731.01 million), held under co-development agreement as fully described in Note 36 (Capital Commitments).

\*\* The amount of Rs. 881.80 million shown under "Deletions/ Adjustments" represents capitalization during the year.

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Particulars	Gross block				Accumulated depreciation				Net block		
	Balance As at 18 July 2020	Additions due to assets acquisition*	Additions during the period	Deletions/ Adjustments	Balance As at 31 March 2021	Balance As at 18 July 2020	Charge for the period	Deletions/ Adjustments	Balance As at 31 March 2021	Balance As at 31 March 2021	As at 31 March 2020
<b>Assets (constructed), given/expected to be given on operating lease</b>											
Freehold land	-	25,580.44	-	-	25,580.44	-	-	-	-	25,580.44	-
Buildings	-	70,466.26	112.55	-	70,578.81	-	205.04	-	205.04	70,373.77	-
Air conditioners	-	1,210.61	(0.63)	-	1,209.98	-	22.77	-	22.77	1,187.21	-
Electrical fittings & equipment	-	805.03	0.97	-	806.00	-	30.92	-	30.92	775.08	-
Plant and machinery	-	877.38	3.28	-	880.66	-	17.91	-	17.91	862.75	-
Diesel generator sets	-	651.23	-	-	651.23	-	12.98	-	12.98	638.25	-
Furniture and fixtures	-	262.99	-	(0.01)	262.98	-	21.22	-	21.22	241.76	-
Right of use (leasehold land)	-	459.96	-	-	459.96	-	0.87	-	0.87	459.09	-
Office Equipment	-	16.87	-	-	16.87	-	1.01	-	1.01	15.86	-
Computers	-	0.88	0.26	-	1.14	-	0.06	-	0.06	1.08	-
<b>Sub total</b>	-	<b>100,331.65</b>	<b>116.43</b>	<b>(0.01)</b>	<b>100,448.07</b>	-	<b>312.78</b>	-	<b>312.78</b>	<b>100,135.29</b>	-
<b>Assets (food court), given/expected to be given on operating lease</b>											
Air conditioner	-	7.05	-	-	7.05	-	0.13	-	0.13	6.92	-
Furniture & fixtures	-	29.67	-	-	29.67	-	1.43	-	1.43	28.24	-
Plant and machinery	-	4.81	-	-	4.81	-	0.09	-	0.09	4.72	-
Office equipment	-	2.12	-	-	2.12	-	0.08	-	0.08	2.04	-
Kitchen equipment	-	2.52	-	-	2.52	-	0.17	-	0.17	2.35	-
Computers	-	0.20	-	-	0.20	-	-	-	-	0.20	-
<b>Sub total</b>	-	<b>46.37</b>	-	-	<b>46.37</b>	-	<b>1.90</b>	-	<b>1.90</b>	<b>44.47</b>	-
<b>Sub total - Investment Property</b>	-	<b>100,378.02</b>	<b>116.43</b>	<b>(0.01)</b>	<b>100,494.44</b>	-	<b>314.68</b>	-	<b>314.68</b>	<b>100,179.76</b>	-
<b>Investment property - under development**</b>											
Capital work in progress	-	723.34	172.02	(103.62)	791.74	-	-	-	-	791.74	-
<b>Sub total - Investment Property under development</b>	-	<b>723.34</b>	<b>172.02</b>	<b>(103.62)</b>	<b>791.74</b>	-	-	-	-	<b>791.74</b>	-
<b>Total</b>	-	<b>101,101.36</b>	<b>288.45</b>	<b>(103.63)</b>	<b>101,286.18</b>	-	<b>314.68</b>	-	<b>314.68</b>	<b>100,971.50</b>	-

\*Above assets have been acquired as part of assets acquisition. Refer note 2.1 basis for consolidation and note 47.

\*\* The amount of Rs. 103.62 million shown under "Deletions/ Adjustments" represents capitalization during the period.

**Note:**

- Borrowing costs capitalized during the year amounts to Rs. 30.13 million (31 March 2021: 3.25 million) (refer note 31). The rate used to determine the amount of borrowing costs eligible for capitalization was 10.45% (31 March 2021 : 9.76%) for SPPL Noida, 10.35% (31 March 2021: 9.05%) for Candor Kolkata and 8.63% for SDPL Noida.
- The fair value of investment property (including under development) as at 31 March 2022 amounts to Rs. 1,60,361.00 million (31 March 2021: Rs. 1,14,808.00 million) as per valuations performed by external registered property valuers who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. 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 sq. ft. 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 vs secondary), tenant credit quality, lease terms and investors expected return. The fair value measurement of investment property has been categorized as Level 3.
- Refer Note 36 for disclosure of contractual commitments for purchase, construction or development of investment property.
- Refer note 17(a) in respect of investment property given as security in respect of secured borrowing taken from banks/others.
- Candor Kolkata has received reimbursement from its customers for certain assets constructed / acquired on the specific requirement of the customer. The cost of the assets are included in fixed assets and the reimbursement has been disclosed as deferred income (also refer note 20 and 25).

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(vi) Capital work in progress (CWIP) aging schedule :

As at 31 March 2022	Amount in CWIP for a period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress*	395.16	250.04	406.01	694.25	1,745.46
Projects temporarily suspended	-	-	-	-	-

\* Includes CWIP of Rs. 423.55 million where the original budget and timelines are under finalization.

As at 31 March 2021	Amount in CWIP for a period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress**	291.65	97.32	40.93	361.84	791.74
Projects temporarily suspended	-	-	-	-	-

\*\*Includes CWIP of Rs. 404.58 million where the original budget and timelines are under finalization.

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

(vii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed it given below as of 31 March 2022 and 31 March 2021 :

As at 31 March 2022	To be completed in				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
MLCP	1,003.08	-	-	-	1,003.08

(viii) Information regarding income and expenditure of Investment property

Rental and maintenance income derived from investment property  
Less: Direct operating expenses generating rental income\*  
Profit arising from investment property before depreciation and indirect expenses  
\* No direct operating expenses have been incurred during the reporting period that did not generate rental income.

	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
	8,739.34	1,306.28
	(2,013.66)	(290.39)
	<b>6,725.68</b>	<b>1,015.89</b>

(ix) Reconciliation for total depreciation expense:

Total depreciation on property, plant and equipment for the year/ period  
Total depreciation on investment property for the year/ period  
Less:- Depreciation during the construction period on site assets - capitalized  
Less:- Depreciation during the construction period on Right of use (leasehold land)  
**Depreciation expense for the year/ period**

	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
	18.20	2.64
	2,070.65	314.68
	(1.58)	(0.09)
	(2.50)	(0.48)
	<b>2,084.77</b>	<b>316.75</b>



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	As at 31 March 2022	As at 31 March 2021
<b>5 Non current financial assets - Other</b>		
(Unsecured and considered good)		
Security deposits	589.77	517.38
Fixed deposits with banks*	2.23	257.53
Interest accrued but not due on fixed deposits with banks	0.04	1.50
Lease rent equalization**	166.50	22.80
<b>To related parties (refer note 43)</b>		
Finance receivables #	678.79	-
	<b>1,437.33</b>	<b>799.21</b>

\*As at 31 March 2022, these fixed deposits are of restricted use being lien against state authority. As at 31 March 2021, these fixed deposits were of restricted use being lien against debt service reserve account, bank guarantees given to various authorities and security for sales tax registration.

\*\*Lease rent equalization are classified as Financial assets as right to consideration is unconditional and is due only after passage of time.

# Finance receivables represents income support guarantee received from a related party in respect of tenancy level of Investment properties of SDPL Noida in connection with its acquisition by Brookfield India REIT (refer note 47), where the right to receive the income support is spread over a period of time starting from 01 January 2022 and ending on 31 March 2024. The income support guarantee is recognized as a financial asset at fair value through profit and loss.

	As at 31 March 2022	As at 31 March 2021
<b>6 Deferred tax asset (net)</b>		
Deferred tax asset (net)	3,755.46	2,641.23
	<b>3,755.46</b>	<b>2,641.23</b>

The Group has recognized deferred tax asset of Rs. 2,921.36 million (31 March 2021: Rs. 1,729.06 million) on unabsorbed depreciation & business losses and Rs. 1,253.92 million (31 March 2021: Rs. 964.86 million) on MAT credit entitlement, considering the deferred tax liability on existing taxable temporary differences in respective SPVs that will reverse in the future and estimated taxable income for future years. The amount of deferred tax assets considered realizable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

	As at 31 March 2022	As at 31 March 2021
<b>7 Non-current tax assets (net)</b>		
Advance income tax	2,416.27	1,527.81
	<b>2,416.27</b>	<b>1,527.81</b>

	As at 31 March 2022	As at 31 March 2021
<b>8 Other non-current assets</b>		
(Unsecured and considered good)		
Capital advances	19.27	21.14
Prepaid expenses	142.16	5.96
Balance recoverable from government authorities	14.11	10.94
	<b>175.54</b>	<b>38.04</b>

	As at 31 March 2022	As at 31 March 2021
<b>9 Current financial assets - Trade receivables</b>		
Trade receivables considered good - unsecured	224.88	241.35
Trade receivables - credit impaired	(68.26)	(49.10)
Less: loss allowance	(68.26)	(49.10)
	<b>224.88</b>	<b>241.35</b>

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

As at 31 March 2022

**Trade receivables ageing Schedule:**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	91.11	3.80	42.22	46.31	41.44	224.88
(ii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – which have significant increase in credit risk	-	0.36	0.00	4.03	42.77	21.10	68.26
(iv) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
<b>Gross receivables</b>	-	<b>91.47</b>	<b>3.80</b>	<b>46.25</b>	<b>89.08</b>	<b>62.54</b>	<b>293.14</b>
Less: loss allowance							(68.26)
<b>Net Carrying Value</b>							<b>224.88</b>

As at 31 March 2021

**Trade receivables ageing Schedule:**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	159.28	31.90	33.95	8.35	7.87	241.35
(ii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	37.78	4.09	7.23	49.10
(iv) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
<b>Gross receivables</b>	-	<b>159.28</b>	<b>31.90</b>	<b>71.73</b>	<b>12.44</b>	<b>15.10</b>	<b>290.45</b>
Less: loss allowance							(49.10)
<b>Net Carrying Value</b>							<b>241.35</b>

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	As at 31 March 2022	As at 31 March 2021
<b>10 Current financial assets - Cash and cash equivalents</b>		
Balance with banks :		
- in current account	193.65	1,132.32
- in deposit account (with original maturity of 3 months or less)	1,850.00	590.00
- in escrow account*	-	1,432.87
	<b>2,043.65</b>	<b>3,155.19</b>

\* Represents the balance of Rs. Nil as at 31 March 2022 (31 March 2021 : Rs. 1,432.87 million) from proceeds of initial public offer of Brookfield India REIT Units (Total proceeds Rs. 38,000.00 million). These amounts were held in the escrow account and were withdrawn for partial or full pre-payment or scheduled repayment of the existing indebtedness of SPVs, general purposes and issue expenses (as specified in the Brookfield India REIT's final offer document).

	As at 31 March 2022	As at 31 March 2021
<b>11 Other bank balances</b>		
Deposit account with original maturity of more than 3 months and upto 12 months*	506.49	150.65
	<b>506.49</b>	<b>150.65</b>

\* These fixed deposits includes Rs. 506.49 million as at 31 March 2022 (31 March 2021: Rs. 60.64 million) which are of restricted use being lien against debt service reserve account, bank guarantees given to various authorities and given as security for sales tax registration.

	As at 31 March 2022	As at 31 March 2021
<b>12 Current financial assets - Loans</b>		
<b>To parties other than related parties</b>		
(Unsecured and considered doubtful)		
Advances to vendors	0.36	0.36
Less: loss allowance	(0.36)	(0.36)
	-	-
Loans receivables - credit impaired	0.36	0.36
Less: loss allowance	(0.36)	(0.36)
	-	-

	As at 31 March 2022	As at 31 March 2021
<b>13 Current financial assets - Other</b>		
(Unsecured and considered good)		
<b>To parties other than related parties</b>		
Security deposits	0.01	0.01
Unbilled revenue*	159.01	79.63
Interest accrued but not due on fixed deposits with banks	14.37	1.94
Lease rent equalization*	51.18	1.64
Other receivables	47.39	77.93
<b>To related parties (refer note 43)</b>		
Other receivables	0.01	1.99
Finance receivables #	483.34	-
	<b>755.31</b>	<b>163.14</b>

\*Classified as financial assets as right to consideration is unconditional and is due only after passage of time.

# Finance receivables represents income support guarantee received from a related party in respect of tenancy level of Investment properties of SDPL Noida in connection with its acquisition by Brookfield India REIT (refer note 47), where the right to receive the income support is spread over a period of time starting from 01 January 2022 and ending on 31 March 2024. The income support guarantee is recognized as a financial asset at fair value through profit and loss.

	As at 31 March 2022	As at 31 March 2021
<b>14 Other current assets</b>		
(Unsecured and considered good)		
Advances to vendors	33.01	31.36
Prepaid expenses	54.29	32.02
Balance recoverable from government authorities	135.16	93.93
Other Advances	0.12	-
	<b>222.58</b>	<b>157.31</b>

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**15 Unit Capital**

Particulars	No. of Units	Amount
<b>As at 17 July 2020</b>		
Units issued during the period		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	138,181,800	38,000.00
- in exchange for equity interest in SPVs (refer note iii below)	127,892,403	35,170.41
- in exchange for 12% Compulsorily Convertible Debenture in Candor Kolkata	36,727,398	10,100.03
Less: Issue expenses (refer note iv below)	-	(1,495.66)
<b>Closing balance as at 31 March 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>
<b>As at 01 April 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>
Less: Distribution to Unitholders for the quarter ended 30 June 2021	-	(297.05)
Less: Distribution to Unitholders for the quarter ended 30 September 2021	-	(605.60)
Less: Distribution to Unitholders for the quarter ended 31 December 2021	-	(481.45)
Add: Reversal of issue expenses no longer payable (refer note iv below)	-	25.55
<b>Add: Units issued on preferential basis during the year</b>		
- pursuant to the preferential allotment, issued, subscribed and fully paid-up in cash (refer note ii below)	16,821,856	4,949.83
- in exchange for equity interest in SPVs (refer note iii below)	15,463,616	4,550.17
Less: Expense incurred towards preferential allotment (refer note iv below)	-	(48.92)
<b>Closing balance as at 31 March 2022</b>	<b>335,087,073</b>	<b>89,867.31</b>

**(a) Terms/ rights attached to Units and accounting thereof**

(i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Investment Manager approves distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions in Indian Rupees.

Under the provisions of the REIT Regulations, Brookfield India REIT is required to distribute to Unitholders not less than 90% of the Net Distributable Cash Flows of Brookfield India REIT for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Brookfield India REIT to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unit Capital has been presented as "Equity" in order to comply with the requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

(ii) Initial Public Offering of 138,181,800 Units for cash at price of Rs. 275 per Unit aggregating to Rs. 38,000.00 million. Further preferential allotment of 16,821,856 Units for cash at price of Rs. 294.25 per unit aggregating to Rs. 4,949.83 was made during the year ended 31 March 2022. Refer note 50 for utilization of IPO proceeds. The preferential allotment was mainly used to fund the SDPL Noida acquisition, as more fully described in Note 47 (asset acquisition note).

(iii) Brookfield India REIT acquired the SPVs by acquiring all the equity interest held by our Sponsor and certain members of our Sponsor Group. The acquisition of equity interest in the SPVs has been done by issue of 127,892,403 Units of Rs. 275 each and 15,463,616 Units of Rs. 294.25 each during the period ended 31 March 2021 and year ended 31 March 2022 respectively, as per the table below.

Name of SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs		
	Sponsor	Sponsor Group (excluding Sponsor)	Total
<b>During the period ended 31 March 2021:</b>			
Candor Kolkata	54,117,888	16,364	54,134,252
Festus	-	31,474,412	31,474,412
SPPL Noida	-	41,483,012	41,483,012
CIOP	-	800,727	800,727
<b>During the year ended 31 March 2022:</b>			
SDPL Noida (refer note 1: Organizational structure)	-	15,463,616	15,463,616
<b>Total number of Units issued</b>	<b>54,117,888</b>	<b>89,238,131</b>	<b>143,356,019</b>

(iv) Expenses incurred pertaining to the Initial Public Offering (IPO), preferential allotment and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital in accordance with Ind AS 32 - Financial Instruments: Presentation.

**(b) Unitholders holding more than 5 percent Units in the Trust**

Name of Unitholders	As at 31 March 2022		As at 31 March 2021	
	No. of Units	% of holdings	No. of Units	% of holdings
BSREP India office Holdings V Pte. Ltd.	54,117,888	16.15%	54,117,888	17.87%
BSREP India Office Holdings Pte Ltd.	41,499,373	12.38%	41,499,373	13.71%
BSREP India Office Holdings III Pte. Ltd.	36,727,398	10.96%	36,727,398	12.13%
BSREP II India Office Holdings II Pte. Ltd.	28,086,775	8.38%	28,086,775	9.28%

(c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of registration till the balance sheet date. Further, the Trust has not issued any units for consideration other than cash from the date of registration till the balance sheet date, except as disclosed above.

**(d) Unitholding of sponsor group**

Name of Unitholders	As at 31 March 2022		As at 31 March 2021		% Change during the year ended 31 March 2022
	No. of Units	% of holdings	No. of Units	% of holdings	
BSREP India office Holdings V Pte. Ltd.	54,117,888	16.15%	54,117,888	17.87%	-1.72%
BSREP India Office Holdings Pte Ltd.	41,499,373	12.38%	41,499,373	13.71%	-1.32%
BSREP India Office Holdings III Pte. Ltd.	36,727,398	10.96%	36,727,398	12.13%	-1.17%
BSREP II India Office Holdings II Pte. Ltd.	28,086,775	8.38%	28,086,775	9.28%	-0.89%
Kairos Property Managers Private Limited	3,387,637	1.01%	3,387,637	1.12%	-0.11%
BSREP Moon C1 L.P.	800,650	0.24%	800,650	0.26%	-0.03%
BSREP Moon C2 L.P.	80	0.00%	80	0.00%	0.00%
BSREP India Office Holding IV Pte. Ltd.	15,463,616	4.61%	-	-	4.61%

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16 **Other Equity\***

	As at 31 March 2022	As at 31 March 2021
<b>Reserves and Surplus</b>		
Retained earnings	(1,046.38)	252.75
	<u>(1,046.38)</u>	<u>252.75</u>

\*Refer Consolidated Statement of Changes in Unitholders' Equity for detailed movement in other equity balances.

**Retained earnings**

The cumulative gain or loss arising from the operations which is retained by the Brookfield India REIT is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit/(loss) after tax is transferred from the Statement of Profit and Loss to the retained earnings account.

17 **Non-current financial liabilities - Borrowings**

**Secured**

	As at 31 March 2022	As at 31 March 2021
Term loan from financial institutions	51,655.34	21,015.17
Less:- Current maturities of long term borrowings (refer note 21)	(661.81)	-
<b>Total Borrowings</b>	<u>50,993.53</u>	<u>21,015.17</u>

(a) **Terms for secured loan**  
As at 31 March 2022

(i) **HDFC Limited (balance as at 31 March 2022 : Rs. 24,804.15 million)**

Nature of Loan	Security	Terms of repayment
Lease Rental Discounting-I and Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of the Candor Kolkata on fully diluted basis.	Principal repayment (Lease Rental Discounting facility-I): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate.
Lease Rental Discounting-II Interest @ PLR* less spread (Term : 12 Year)		Principal repayment (Lease Rental Discounting facility-II): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 78 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate.
Loan Against Property Interest @ PLR* less spread (Term : 5 Year)		Principal repayment (Loan against Property facility) : The facility shall be repaid in a single Monthly Instalment on or before January 31, 2027 comprising of Principal repayment and interest payment at the applicable interest rate.
		Interest payment: At the applicable rate of interest on the outstanding Principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.

\*Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 111.43 million (b) Cash and cash equivalents - Rs. 104.83 million (c) Property, plant and equipment -Rs. 88.88 million and (d) Investment property - Rs. 59,377.31 million.

(ii) **HDFC Limited (balance as at 31 March 2022 : Rs. 3,739.32 million)**

Nature of Loan	Security	Terms of repayment
Lease Rental Discounting-I and Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of the SPPL Noida on fully diluted basis.	Principal repayment (Lease Rental Discounting facility-I): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate.
Lease Rental Discounting-II Interest @ PLR* less spread (Term : 12 Year)		Principal repayment (Lease Rental Discounting facility-II): Upon completion of 60 months from the first drawdown date, the facility shall be repaid in 37 monthly instalments (overall tenure - 144 months) comprising of Principal repayment and interest payment at applicable interest rate.
		Interest payment: At the applicable rate of interest on the outstanding Principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.

\*Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 27.77 million, (b) Cash and cash equivalents - Rs. 84.85 million, (c) Property, plant and equipment - Rs. 17.42 million and (d) Investment property - Rs. 17,254.64 million.

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**(iii) HDFC Limited (balance as at 31 March 2022 : Rs. 8,274.85 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting Interest @ LRD-PLR* less spread (Term : 12 Year)	The term loan is secured by charge on immovable assets (including buildings), bank accounts, insurance policies, receivables, underlying land for which rights owned by the Company and demand promissory note in favour of the lender. Further term loan is secured by pledge, to be created on shares of the Festus constituting 51% of the issued and outstanding equity share capital.	1. Principal repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 84 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at the applicable interest rate. 2. Principal repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 71 monthly instalments (overall tenure - 144 months) comprising of principal repayment and interest payment at the applicable interest rate. 3. Principal repayment: Upon completion of 125 months from the first drawdown date, the LOC facility shall be repaid in 14 monthly instalments (overall tenure - 144 months) comprising of fixed principal repayment and interest payment at the applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding Principal of facility will be paid monthly on each interest payment date of the facility from the date of first disbursement till commencement of monthly instalments.
Lease rent discounting Interest @ LRD-PLR* less spread (Term : ~12 Year)		
Lease rent discounting Interest @ LRD-PLR* less spread (Term : ~12 Year)		

\*Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 46.04 million, (b) Cash and cash equivalents - Rs. 31.49 million, (c) Property, plant and equipment -Rs. 23.35 million, (d) Investment property - Rs. 22,479.31 million and (e) Investment property under development - Rs. 99.58 million.

**(iv) HDFC Limited (balance as at 31 March 2022 : Rs. 14,837.02 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting Interest @ PLR* less spread (Term : 15 Year)	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties, pledge of shares of the SDPL, Noida held by the holding company, charge on bank accounts and insurance policies, escrow on receivables of the SDPL Noida, demand promissory note in favour of the lender.	Principal repayment: Upon completion of 24 months from the first drawdown date, the LRD (Lease Rental Discounting) facility shall be repaid in 156 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments

\*Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 38.03 million, (b) Cash and cash equivalents - Rs. 40.17 million, (c) Property, plant and equipment -Rs. 28.73 million and (d) Investment property - Rs. 35,308.72 million.

**As at 31 March 2021**

**(i) HDFC Limited (balance as at 31 March 2021 : Rs. 12,491.75 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting & Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of the Candor Kolkata on fully diluted basis.	Principal repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 144 monthly instalments comprising of Principal repayment and interest payment at the applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding Principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

\*Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 142.91 million (b) Cash and cash equivalents - Rs. 1,197.50 million (c) Property, plant and equipment -Rs. 63.61 million and (d) Investment property - Rs. 60,559.99 million.

**(ii) HDFC Limited (balance as at 31 March 2021 : Rs. 2,077.76 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting & Line of Credit Interest @ PLR* less spread (Term : 12 Year)	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties, pledge of shares of the SPPL Noida held by the holding company, charge on bank accounts and insurance policies, escrow on receivables of the SPPL Noida, demand promissory note in favour of the lender.	Principal repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 144 monthly instalments comprising of Principal repayment and interest payment at the applicable interest rate. Interest payment: At the applicable rate of interest on the outstanding Principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments

\*Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 50.04 million, (b) Cash and cash equivalents - Rs. 144.09 million, (c) Property, plant and equipment -Rs. 17.54 million and (d) Investment property - Rs. 17,012.00 million.

**(iii) HDFC Limited (balance as at 31 March 2021 : Rs. 6,445.66 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting Interest @ CPLR* less spread (Term : 12 Year)	The term loan is secured by charge on immovable assets (including buildings), bank accounts, insurance policies, receivables, underlying land for which rights owned by the Company and demand promissory note in favour of the lender. Further term loan is secured by pledge, to be created on shares of the Festus constituting 51% of the issued and outstanding equity share capital.	Principal repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 84 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

\*Corporate Prime lending rate (CPLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 46.78 million, (b) Cash and cash equivalents - Rs. 60.50 million, (c) Property, plant and equipment -Rs. 30.89 million and (d) Investment property - Rs. 22,607.77 million.

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(b) Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
Opening balance (Debts & Lease liability)	21,112.71	-
Acquired on assets acquisition (refer note 47)	20,707.80	56,987.28
<b>Cash movement</b>		
Additional borrowing during the period (refer Consolidated Statement of Cash Flows)	15,909.99	21,200.00
Repayment during the period (refer Consolidated Statement of Cash Flows)	(5,627.38)	(56,876.43)
Finance cost paid during the period (refer Consolidated Statement of Cash Flows)	(2,152.60)	(592.85)
Repayment of lease liabilities (refer Consolidated Statement of Cash Flows)	(11.02)	-
<b>Non cash movement</b>		
Finance cost (accrued) (refer note 31)	2,110.82	414.02
Other non cash changes in finance cost	(146.81)	(19.31)
<b>Closing balance (Debts &amp; Lease liability)</b>	<b>51,903.51</b>	<b>21,112.71</b>

(c) The Group's quarterly returns or statements comprising quarterly financial information filed with banks and financial institutions are in agreement with the books of accounts.

	As at 31 March 2022	As at 31 March 2021
<b>18 Non-current financial liabilities - others</b>		
Security deposit from lessee	1,244.85	1,393.07
Retention money	84.45	19.20
	<b>1,329.30</b>	<b>1,412.27</b>
<b>19 Provisions</b>		
Provision for gratuity	18.91	10.86
	<b>18.91</b>	<b>10.86</b>
<b>20 Other non-current liabilities</b>		
Deferred income	290.00	318.67
Contract liability*	355.93	67.80
	<b>645.93</b>	<b>386.47</b>

\*Candor Kolkata One Hi-Tech Structures Private Limited entered into a Joint Development Agreement with Gurgaon Infospace Limited (GIL) by which GIL will pay Rs. 1,000 million in various tranches commencing January 2021 to October 2023 for the development/construction of building used for commercial and retail purposes on certain land parcels, the title of which is held by Candor Kolkata One Hi-Tech Structures Private Limited. Under the said agreement, Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%. The amount received as at 31 March 2022 of Rs. 420.00 million including Goods and Service Tax (31 March 2021 of Rs. 80.00 million) has been presented as contract liability excluding Goods and Service Tax.

	As at 31 March 2022	As at 31 March 2021
<b>21 Short term borrowings</b>		
<b>Current maturities of long-term debt</b>		
<b>Secured</b>		
Term loan from financial institutions	661.81	-
	<b>661.81</b>	<b>-</b>
<b>22 Current financial liabilities - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	17.34	7.83
Total outstanding dues of creditors other than micro enterprises and small enterprises*	620.17	437.67
	<b>637.51</b>	<b>445.50</b>

\*For balance payable to related parties, refer note 43

**Trade Payable ageing Schedule**

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

As at 31 March 2022	Outstanding for following periods from due date of payment						Total
Particulars	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years		Total
(i) MSME	16.33	0.70	0.15	-	0.16		17.34
(ii) Others	610.05	5.99	0.04	0.20	0.54		616.82
(iii) Disputed dues- MSME	-	-	-	-	-		-
(iv) Disputed dues- Others	-	0.71	-	-	2.64		3.35
<b>Total</b>	<b>626.38</b>	<b>7.40</b>	<b>0.19</b>	<b>0.20</b>	<b>3.34</b>		<b>637.51</b>
As at 31 March 2021	Outstanding for following periods from due date of payment						Total
Particulars	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years		Total
(i) MSME	6.74	0.15	0.22	0.48	0.24		7.83
(ii) Others	432.38	0.88	0.16	0.05	0.73		434.20
(iii) Disputed dues- MSME	-	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-	3.47		3.47
<b>Total</b>	<b>439.12</b>	<b>1.03</b>	<b>0.38</b>	<b>0.53</b>	<b>4.44</b>		<b>445.50</b>

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	As at 31 March 2022	As at 31 March 2021
<b>23 Current - Other financial liabilities</b>		
Security deposit from lessee	3,401.53	2,337.00
Retention money	132.89	136.30
Capital creditors	394.94	293.37
Employee related payables	10.93	11.51
Other payables	120.97	1,295.10
	<b>4,061.26</b>	<b>4,073.28</b>
<b>24 Provisions</b>		
Provision for gratuity	0.18	0.08
Provision for compensated absences	7.14	4.41
	<b>7.32</b>	<b>4.49</b>
<b>25 Other current liabilities</b>		
Statutory dues payable	151.29	177.66
Deferred income	161.38	168.29
Other payables	-	7.57
	<b>312.67</b>	<b>353.52</b>
<b>26 Current tax liabilities (Net)</b>		
Provision for income tax	120.64	120.39
	<b>120.64</b>	<b>120.39</b>

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Particulars	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
<b>27 Revenue from operations</b>		
<b>Sale of services</b>		
Income from operating lease rentals *	6,476.02	943.40
Income from maintenance services	2,263.32	362.88
	<b>8,739.34</b>	<b>1,306.28</b>
<b>Sale of products</b>		
Sale of food and beverages	26.94	2.90
Others	1.63	0.24
	<b>8,767.91</b>	<b>1,309.42</b>
* Assets given on operating lease		
<b>28 Other Income</b>		
<b>Interest income from financial assets at amortized cost</b>		
Interest income on fixed deposits with banks	71.05	3.21
Interest income on security deposit	28.38	2.49
<b>Others</b>		
Income from scrap sale	6.80	1.64
Interest on income tax refund	34.21	44.29
Liabilities/provisions no longer required written back	1.84	0.02
Fair value gain on income support	31.58	-
Miscellaneous income	50.37	-
	<b>224.23</b>	<b>51.65</b>
<b>29 Cost of materials consumed</b>		
Opening stock	-	-
Add: purchases during the period	22.69	2.24
Add: Others	1.33	0.24
Less: Closing stock	-	-
	<b>24.02</b>	<b>2.48</b>
<b>30 Employee benefits expense</b>		
Salaries, wages and bonus	179.70	25.32
Contributions to provident fund	10.44	1.41
Gratuity expense	5.16	1.08
Compensated absences	1.55	0.29
	<b>196.85</b>	<b>28.10</b>
<b>31 Finance Costs</b>		
<b>Interest and finance charges on financial liabilities at amortized cost</b>		
Interest on term loan	1,930.14	289.04
Interest on non-convertible bonds	-	0.76
Interest on lease liability	14.25	1.57
<b>Others</b>		
Other borrowing costs	166.43	122.65
	<b>2,110.82</b>	<b>414.02</b>
Less: Transferred to investment property under development	(30.13)	(3.25)
	<b>2,080.69</b>	<b>410.77</b>
<b>32 Depreciation and amortization expenses</b>		
- on property plant and equipment and intangible assets	16.62	2.55
- on investment property	2,068.15	314.20
	<b>2,084.77</b>	<b>316.75</b>



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Particulars	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
<b>33 Other expenses</b>		
Property management fees	352.20	55.01
Power and fuel	690.91	92.48
Repair and maintenance	708.19	99.31
Insurance	34.36	4.64
Legal and professional expense	177.58	55.16
Audit fees (refer note "a" below)	22.52	17.64
Rates and taxes	104.42	20.00
Brokerage	-	0.05
Facility usage fees	31.59	5.46
Rental towards short term leases	10.23	0.90
Credit Impaired	10.77	23.32
Allowance for expected credit loss	10.08	0.05
Advances written off	-	1.27
Corporate social responsibility expenses	5.61	1.97
Property, plant and equipment written off	-	0.15
Donation	20.00	-
Miscellaneous expenses	89.60	68.14
	<b>2,268.06</b>	<b>445.55</b>
<b>a) Details of remuneration to auditors</b>		
As auditor (on accrual basis, excluding applicable taxes)		
- for statutory audit	21.57	17.64
- for other services	0.19	-
- for reimbursement of expenses	0.76	-
	<b>22.52</b>	<b>17.64</b>
<b>34 Tax expense</b>		
Current tax		
-for current period	27.96	0.44
-for earlier years	(3.81)	18.89
Deferred tax charge / (credit)	(245.01)	(122.93)
	<b>(220.86)</b>	<b>(103.60)</b>

Brookfield India REIT is a business trust registered under SEBI REIT Regulations, 2014. Hence, the interest and dividend received or receivable by Brookfield India REIT from the SPVs is exempt from tax under section 10(23FC) of the Income Tax Act, 1961 (Act). Further, any expenditure incurred in relation to earning the exempt income is not tax deductible in view of the provisions of section 14A of the Act.

The income of Brookfield India REIT, other than exempt income mentioned above, is chargeable to tax at the maximum marginal rates in force (for the year ended 31 March 2022 : 42.744%; for the period ended 31 March 2021: 42.744%), except for the income chargeable to tax on transfer of short term capital assets under section 111A of the Act and long term capital assets under section 112 of the Act.

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**35 Contingent liabilities**

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Claims against the SPVs not acknowledged as debt in respect of Income-Tax matters (Refer note 1 below)	1,158.86	776.80
Claims against the SPVs not acknowledged as debt in respect of Indirect tax {VAT/Work contract/Entry tax} (Refer note 2 below)	12.43	2.67
<b>Grand Total</b>	<b>1,171.29</b>	<b>779.47</b>

<b>Note 1</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Candor Kolkata One Hi-Tech Structures Private Limited	807.04	762.54
Shantiniketan Properties Private Limited	15.30	14.26
Seaview Developers Private Limited	336.52	-
<b>Total</b>	<b>1,158.86</b>	<b>776.80</b>

Contingent liabilities as at 31 March 2022 includes penalty amounting to Rs. 552.23 million (31 March 2021 Rs. 485.38 million) in relation to disallowance of settlement fees paid in earlier years for termination of contract. Other contingencies include Rs. 606.63 million (31 March 2021 : Rs. 291.42 million) relating to other disallowances under the Income Tax Act, 1961.

The tax officer has set-off certain tax refund claimed in Income tax returns against these demands.

<b>Note 2</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Shantiniketan Properties Private Limited *	2.67	2.67
Seaview Developers Private Limited	9.76	-
<b>Total</b>	<b>12.43</b>	<b>2.67</b>

\* The Company has given a bank guarantee of Rs. 1.00 million (31 March 2021: Rs. 1.00 million) to Member Secretary UP Pollution Control Board.

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**36 Commitments**

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Capital commitments (net of advances)	902.92	327.47

**The SPV wise details of capital commitments are as follows:**

Candor Kolkata One Hi-Tech Structures Private Limited	199.37	59.19
Shantiniketan Properties Private Limited	135.80	268.28
Festus Properties Private Limited	161.48	-
Seaview Developers Private Limited	406.27	-
	<b>902.92</b>	<b>327.47</b>

**Other commitments**

Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as "Candor Gurgaon Two Developers & Projects Private Limited"; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. 01 April 2017) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the property pursuant to a Joint Development Agreement (JDA) with GIL entered on 16 November 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.

In supplement to earlier JDA, a new co-development agreement was entered into between GIL (the developer) and Candor Kolkata One Hi-Tech Structures Private Limited (the co-developer) on 17 September 2007 as amended from time to time under which the developer and co-developer will jointly carry out the process of installation of fit-outs & fixtures and the cost of such installation shall be shared by the developer and co-developer in the same ratio as to sharing of gross proceeds i.e. 28% and 72% respectively. This agreement is accounted as joint operations as per Ind AS 111.

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**37 Financial instruments – Fair values and risk management**  
**i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. There are no financial instruments, which are subsequently measured at fair value.

	Carrying value		Fair value	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>At Amortized Cost</b>				
<b>Financial assets</b>				
Trade receivables #	224.88	241.35	224.88	241.35
Cash and cash equivalents #	2,043.65	3,155.19	2,043.65	3,155.19
Other bank balances #	506.49	150.65	506.49	150.65
Other financial assets #	1,030.52	962.35	1,030.52	962.35
<b>At FVTPL</b>				
<b>Financial Assets</b>				
Other financial Assets <sup>^</sup>	1,162.13	-	1,162.13	-
<b>Total financial assets</b>	<b>4,967.67</b>	<b>4,509.54</b>	<b>4,967.67</b>	<b>4,509.54</b>
<b>At Amortized Cost</b>				
<b>Financial liabilities</b>				
Borrowings #	51,655.34	21,015.17	51,655.34	21,015.17
Trade payables #	637.51	445.50	637.51	445.50
Other financial liabilities #	5,390.56	5,485.55	5,390.56	5,485.55
<b>Total financial liabilities</b>	<b>57,683.41</b>	<b>26,946.22</b>	<b>57,683.41</b>	<b>26,946.22</b>

# fair value of financial assets and financial liabilities which are recognized at amortized cost has been disclosed to be same as carrying value as the carrying value approximately equals to their fair value.

<sup>^</sup> Fair value of Receivable for income support is determined on the basis of present value of expected future cash flows. These are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs. The key input for determining the same is discount rate.

**ii) Measurement of fair values**

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuation under Level 1 and Level 2. There has been no transfers into or out of Level 3 of the fair value hierarchy for the year ended 31 March 2022 and period ended 31 March 2021.

The Brookfield India REIT policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**iii) Details of significant unobservable inputs**

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
<b>Financial assets measured at fair value (Receivable for income support)</b>	
Discount rate (31 March 2022- 11.50% and 12.75% ; 31 March 2021- NA)	The estimated fair value would decrease (increase) if discount rate is higher (lower)

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**iv) Sensitivity analysis of Level 3 fair values**

For the fair value of receivable for income support, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects:

<b>31 March 2022</b>	<b>Profit/ (Loss)</b>	
	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	8.06	(8.06)

<b>31 March 2021</b>	<b>Profit/ (Loss)</b>	
	<b>Increase</b>	<b>Decrease</b>
Discount rate (1% movement)	NA	NA

**v) Reconciliation of Level 3 fair values**

<b>Fair Value relating to receivable for income support</b>	<b>Amount</b>
Balance as at 24 January 2022	1,358.69
Income support received	(228.14)
Net change in fair value - unrealized (refer note 28)	31.58
<b>Balance as at 31 March 2022</b>	<b>1,162.13</b>

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**38. Financial risk management**

**i. Risk management framework**

The Board of directors of the Manager of the Trust has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management framework are established to identify and analyze the key risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of directors of the Manager of the Trust, oversees compliance with the Group's risk management framework and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to The Audit Committee.

The Group's financial risk management is carried out by a treasury department (Group's treasury). the Group's treasury identifies, evaluates and hedges financial risks.

**ii. Credit risk**

Credit risk is the risk of the financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group ensures through appropriate background checks that the office premises are leased to parties of repute and of good credit standing only. It has also taken refundable interest free security deposits equivalent to 3-6 months of lease rentals from its customers which is also used to mitigate credit risk. Further Management also monitors its receivables on a monthly basis and does not expect any default of its trade receivables. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks. However, the maximum amount exposed to credit risk is limited to amount disclosed in financial statements.

Movement in loss allowance for trade receivables during the period, which is primarily on account of tax recovery as summarized below:

	<b>For the year ended 31 March 2022</b>	<b>From 17 July 2020 to 31 March 2021</b>
Balance at the beginning of the period	49.10	49.05
Loss allowance created during the year/period	10.08	0.05
Others	9.08	-
<b>Balance at the end of the year/period</b>	<b>68.26</b>	<b>49.10</b>

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**iii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities. The Group seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses.

Consequently, the Group believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Group projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2022	Carrying amount	Contractual cash flows			
		Total	0 -1 years	1 -5 years	Above 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings					
- Term loans (including current maturities and interest accrued)	51,655.34	87,954.92	4,265.89	21,344.13	62,344.90
Trade payables	637.51	637.51	637.51	-	-
Other financial liabilities (excluding current maturities of term loan)	5,638.73	8,072.89	4,072.48	1,947.25	2,053.16
<b>31 March 2021</b>					
	Carrying amount	Contractual cash flows			
		Total	0 -1 years	1 -5 years	Above 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings					
- Term loans (including current maturities and interest accrued)	21,015.17	35,444.14	1,515.80	6,109.90	27,818.44
Trade payables	445.50	445.50	445.50	-	-
Other financial liabilities (excluding current maturities of term loan)	5,503.60	7,108.51	4,679.10	1,649.57	779.84

The Group has undrawn borrowing facilities amounting to Rs. 2,890.00 million (31 March 2021: Rs. 2,800.00 million) with following expiry:

Particulars	Expiring within			
	Total	0 -1 years	1 -5 years	Above 5 years
As at 31 March 2022	2,890.00		2,890.00	
As at 31 March 2021	2,800.00	-	2,800.00	-

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**iv. Market risk**

the Group is exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals) that will affect the Group's income or expense or the value of its holdings of financial instruments.

**a) Currency risk**

the Group's exposure to foreign currency risk is mainly on account of imports of capital goods and services taken, which is not material in proportion to the total expenses incurred by the Group.

<b>Foreign Currency risk exposure</b>	<b>Currency</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Particulars		<b>Rs. in Millions</b>	
Financial Liabilities	SGD	(0.02)	(0.48)
Financial Assets	USD	3.17	17.23
		<u>3.15</u>	<u>16.75</u>

10% appreciation/depreciation in foreign currencies (SGD) at the reporting date would result in (decrease)/ increase in the Group's profit/(loss) before tax by approximately (Rs. 0.002) million (31 March 2021 : (Rs. 0.05 million)).

10% appreciation/depreciation in foreign currencies (USD) at the reporting date would result in (decrease)/ increase in the Group's profit/(loss) before tax by approximately Rs. 0.32 million ( 31 March 2021 : Rs. 1.72 million).

**b) Interest rate risk**

the Group is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments as well as on the refinancing of fixed rate instrument. the Group's borrowings are principally denominated in Indian Rupees.

The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Fixed-rate instruments</b>		
Financial assets	2,358.72	998.18
Financial liabilities	-	-
	<u>2,358.72</u>	<u>998.18</u>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(51,655.34)	(21,015.17)
	<u>(51,655.34)</u>	<u>(21,015.17)</u>
<b>Total</b>	<u>(49,296.62)</u>	<u>(20,016.99)</u>

**Cash flow sensitivity analysis for variable-rate instruments**

The Group has Borrowings with variable-rate of interest amounting to Rs. 51,655.34 million (31 March 2021: Rs. 21,015.17 million). A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts shown below are net off borrowing cost capitalization of Rs. 7.37 million (31 March 2021: Rs. 1.68 million) using capitalization rate of respective year.

<b>Rs. million</b>	<b>Profit/ (Loss)</b>	
	<b>100 bp increase</b>	<b>100 bp decrease</b>
<b>31 March 2022</b>		
Variable-rate instruments	(509.18)	509.18
<b>Cash flow sensitivity (net)</b>	<u>(509.18)</u>	<u>509.18</u>
<b>31 March 2021</b>		
Variable-rate instruments	(208.49)	208.49
<b>Cash flow sensitivity (net)</b>	<u>(208.49)</u>	<u>208.49</u>



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**39 Segment reporting**

a) Ind AS 108 establishes requirements to identify the operating segment and related disclosures, basis how the Chief Operating Decision Maker ('CODM') evaluates the performance and allocates resources to different segments. Based on an analysis of Brookfield India REIT structure and powers conferred to the Manager to REIT, the Governing Board of the Manager (Brookprop Management Services Private Limited) has been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Group is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

b) Customer A represented 17.97% and 17.18% of revenues for the year ending 31 March 2022 and period ending 31 March 2021 respectively, Customer B represented 15.70% and 16.18% of revenues for the year ending 31 March 2022 and period ending 31 March 2021 respectively and Customer C represented 11.50% and 11.67% of revenues for the year ending 31 March 2022 and period ending 31 March 2021 respectively.

**Additional financial disclosures as required under para 4 of SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016**

**40 Statement of Property wise rental/Operating income**

S.No	Entity and Property name	Property Address	Location	Nature of Income	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
1	Candor Kolkata One Hi-Tech Structures Private Limited	Candor TechSpace IT/ITES SEZ, Dundahera, Sector-21 Gurgaon, Haryana-122016	Gurgaon	Rental income and other operating income	3,222.32	555.41
2	Candor Kolkata One Hi-Tech Structures Private Limited	IT/ITES SEZ, Candor TechSpace, Action Area- 1 D, New Town, Rajarhat, Kolkata-700156	Kolkata	Rental income and other operating income	2,017.15	306.70
3	Shantiniketan Properties Private Limited	IT/ITES Park, Candor TechSpace, Institutional Plot No B/2 - 62, Sector 62, NOIDA, Uttar Pradesh- 201309	Noida	Rental income and other operating income	1,233.59	175.68
4	Festus Properties Private Limited	Kensington A and B, IT / ITES, Kensington SEZ Building, Hiranandani Business Park, Powai Mumbai, Mumbai City, Maharashtra-400076	Mumbai	Rental income and other operating income	1,789.49	271.63
5	Seaview Developers Private Limited	F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai-400067	Noida	Rental income and other operating income	505.36	-
6	Candor India Office Parks Private Limited	F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai-400067	Mumbai	Property management fees	-	-
<b>Total</b>					<b>8,767.91</b>	<b>1,309.42</b>

**41 Earnings Per Unit (EPU)**

Basic EPU amounts are calculated by dividing the profit for the year / period attributable to Unitholders by the weighted average number of units outstanding during the year / period. Diluted EPU amounts are calculated by dividing the profit attributable to Unitholders by the weighted average number of units outstanding during year / period plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The Units of the Trust were allotted on 08 February 2021, 11 February 2021 and 24 January 2022.

Particulars	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
Profit after tax for calculating basic and diluted EPU	2,462.85	253.03
Weighted average number of Units (Nos.)	309,050,586	59,423,015
Earnings Per Unit		
-Basic (Rupees/unit)	7.97	4.26
-Diluted (Rupees/unit)*	7.97	4.26

\* The Trust does not have any outstanding dilutive units.

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**42 Capitalization Statement**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital structure mainly constitutes equity in the form of unit capital and debt. The projects of SPVs are initially funded through construction financing arrangements. On completion, these loans are restructured into lease-rental discounting arrangements or debentures. The Group's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Group monitors Capital using ratio of 'Net debt' to 'Gross asset value (GAV) of all SPVs. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings. The Group's adjusted Net debt to GAV ratio as at 31 March 2022 and 31 March 2021 are as follows:

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Borrowings	51,655.35	21,015.17
Lease Liability	248.17	97.54
Gross debt	51,903.52	21,112.71
Less : Cash and cash equivalents	(2,043.65)	(3,155.19)
<b>Adjusted Net debt</b>	<b>49,859.87</b>	<b>17,957.52</b>
Unitholders' Funds		
-Unit capital	89,867.31	81,774.78
-Other equity	(1,046.38)	252.75
<b>Total Shareholder's funds</b>	<b>88,820.93</b>	<b>82,027.53</b>
<b>Debt/Equity Ratio</b>	<b>0.56</b>	<b>0.22</b>

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**43 Related Party Disclosures**

**A. Related parties to Brookfield India REIT as at 31 March 2022**

BSREP India Office Holdings V Pte Ltd- Sponsor  
Brookprop Management Services Private Limited - Investment Manager  
Axis Trustee Services Limited—Trustee

**The Ultimate parent entity and sponsor groups, with whom the group has related party transactions during the period, consist of the below entities:**

- BSREP India Office Holdings V Pte Ltd- Sponsor  
a) BSREP II India Office Holdings II Pte. Ltd. (BSREP II India)  
b) Brookfield Asset Management Inc. (BAM) , ultimate parent entity and controlling party  
c) Kairos Property Managers Private Limited (Kairos)  
d) BSREP Moon C1 L.P  
e) BSREP Moon C2 L.P  
f) BSREP India Office Holdings III Pte Ltd. (BSREP India Office III)  
g) BSREP India Office Holdings Pte. Ltd. (BSREP India Holdings)  
h) BSREP India Office Holding IV Pte. Ltd. (BSREP India Office IV)

Brookfield India REIT's interests in subsidiaries are set out in note 1"- Organization structure.

**Directors & Key personnel of the Investment Manager (Brookprop Management Services Private Limited)**

**Directors**

Akila Krishnakumar (Independent Director)  
Shailesh Vishnubhai Haribhakti (Independent Director)  
Anuj Ranjan (Non-Executive Director)  
Ankur Gupta (Non-Executive Director)

**Key personnel**

Alok Aggarwal - Managing director and chief executive officer – India office business  
Sanjeev Kumar Sharma - Executive vice president and chief financial officer – India office business

**Key management personnel of SPV's**

**- Candor Kolkata One Hi-Tech Structures Private Limited**

Subrata Ghosh- Managing Director  
Neeraj Kapoor- Company Secretary (till 31st July 2021)

**- Festus Properties Private Limited**

Lalit Kumar- Company Secretary

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**43 B. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
<b>Trustee Fee Expense</b>		
- Axis Trustee Services Limited	2.95	2.21
<b>Total</b>	<b>2.95</b>	<b>2.21</b>
<b>Reimbursement of expense incurred by (excluding GST)</b>		
- Brookprop Management Services Private Limited	5.74	253.25
- BSREP India Office Holdings V Pte Ltd	26.39	168.07
- Kairos Property Managers Pvt Ltd	-	0.05
<b>Total</b>	<b>32.13</b>	<b>421.37</b>
<b>Reimbursement of expense incurred on behalf of (excluding GST)</b>		
- Mountainstar India Office Parks Private Limited	2.81	1.24
<b>Total</b>	<b>2.81</b>	<b>1.24</b>
<b>Issue of Unit Capital</b>		
- BSREP India Office Holdings V Pte. Ltd.	-	14,882.42
- BSREP India Office Holdings Pte Ltd.	-	11,412.33
- BSREP India Office Holdings III Pte. Ltd.	-	10,100.03
- BSREP II India Office Holdings II Pte. Ltd.	-	7,723.86
- Kairos Property Managers Pvt Ltd	-	931.60
- BSREP Moon C1 LP	-	220.18
- BSREP Moon C2 LP	-	0.02
- BSREP India Office Holdings IV Pte. Ltd.	4,550.17	-
<b>Total</b>	<b>4,550.17</b>	<b>45,270.44</b>
<b>12% Unsecured Non convertible debentures repaid</b>		
- BSREP II India Office Holdings III Pte. Ltd.	-	256.00
<b>Total</b>	<b>-</b>	<b>256.00</b>
<b>Interest expense on Unsecured Non convertible debentures</b>		
- BSREP II India Office Holdings III Pte. Ltd.	-	0.76
<b>Total</b>	<b>-</b>	<b>0.76</b>
<b>Internet &amp; Connectivity Charges</b>		
- Technology Service Group LLC	17.07	2.52
<b>Total</b>	<b>17.07</b>	<b>2.52</b>
<b>Property management fees</b>		
- Brookprop Management Services Private Limited	186.69	24.91
- Kairos Property Managers Private Limited	-	2.69
<b>Total</b>	<b>186.69</b>	<b>27.60</b>

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**43 B. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
<b>Investment management fees</b>		
- Brookprop Management Services Private Limited	81.21	-
<b>Total</b>	<b>81.21</b>	<b>-</b>
<b>Compensation to key management personnel of SPV's</b>		
- Short-term employee benefits	8.57	1.40
- Post-employment benefits*	-	-
- Other long-term benefits	0.43	0.06
<b>Total</b>	<b>9.00</b>	<b>1.46</b>
<b>Provision for Gratuity and compensated absences transfer to</b>		
- Brookprop Management Services Private Limited	-	3.26
- Arliga India Office Parks Private Limited	0.29	0.30
- Equinox Business Parks Pvt Ltd	-	0.23
- Vrihis Properties Pvt Ltd	-	0.05
<b>Total</b>	<b>0.29</b>	<b>3.84</b>
<b>Provision for Gratuity and compensated absences transfer from</b>		
- Equinox Business Parks Pvt Ltd	-	0.18
- Kairos Property Managers Pvt Ltd	-	0.24
- Vrihis Properties Pvt Ltd	-	0.19
- Mountainstar India Office Parks Private Limited	5.67	-
<b>Total</b>	<b>5.67</b>	<b>0.61</b>
<b>Provision for Bonus transfer to</b>		
- Arliga India Office Parks Private Limited	0.23	-
<b>Total</b>	<b>0.23</b>	<b>-</b>
<b>Provision for Bonus transfer from</b>		
- Mountainstar India Office Parks Private Limited	7.54	-
<b>Total</b>	<b>7.54</b>	<b>-</b>
<b>Repayment of Unit Capital</b>		
- BSREP India Office Holdings V Pte. Ltd.	247.38	-
- BSREP India Office Holdings Pte Ltd.	189.69	-
- Kairos Property Managers Pvt. Ltd.	15.49	-
- BSREP Moon C1 L.P.	3.66	-
- BSREP Moon C2 L.P.	0.00	-
- BSREP II India Office Holdings II Pte. Ltd.	128.39	-
- BSREP India Office Holdings III Pte. Ltd.	167.88	-
<b>Total</b>	<b>752.49</b>	<b>-</b>
<b>Interest Distributed</b>		
- BSREP India Office Holdings V Pte. Ltd.	634.70	-
- BSREP India Office Holdings Pte Ltd.	486.71	-
- Kairos Property Managers Pvt. Ltd.	39.72	-
- BSREP Moon C1 L.P.	9.40	-
- BSREP Moon C2 L.P.	0.00	-
- BSREP II India Office Holdings II Pte. Ltd.	329.40	-
- BSREP India Office Holdings III Pte. Ltd.	430.74	-
<b>Total</b>	<b>1,930.67</b>	<b>-</b>
<b>Other Income Distributed</b>		
- BSREP India Office Holdings V Pte. Ltd.	37.94	-
- BSREP India Office Holdings Pte Ltd.	29.09	-
- Kairos Property Managers Pvt. Ltd.	2.38	-
- BSREP Moon C1 L.P.	0.56	-
- BSREP Moon C2 L.P.	0.00	-
- BSREP II India Office Holdings II Pte. Ltd.	19.69	-
- BSREP India Office Holdings III Pte. Ltd.	25.74	-
<b>Total</b>	<b>115.40</b>	<b>-</b>

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**43 B. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
<b>Security deposit received back</b>		
- Mountainstar India Office Parks Private Limited	7.43	-
	<b>7.43</b>	-
<b>Income support received</b>		
Mountainstar India Office Parks Private Limited	228.14	-
	<b>228.14</b>	-

\*As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the respective SPV as a whole, the said liabilities pertaining specifically to KMP are not known for current period and hence, not included here.

Outstanding balances	As at 31 March 2022	As at 31 March 2021
<b>Trade Payable (net of withholding tax)</b>		
- Axis Trustee Services Ltd	-	2.07
- Brookprop Management Services Private Limited	16.84	0.61
<b>Total</b>	<b>16.84</b>	<b>2.68</b>
<b>Other Payable (net of withholding tax)</b>		
- Brookprop Management Services Private Limited	-	65.21
- BSREP India Office Holdings V Pte Ltd	-	198.32
<b>Total</b>	<b>-</b>	<b>263.53</b>
<b>Other receivables</b>		
- Mountainstar India Office Parks Private Limited	0.01	1.99
<b>Total</b>	<b>0.01</b>	<b>1.99</b>
<b>Finance receivables*</b>		
- Mountainstar India Office Parks Private Limited	1,162.13	-
<b>Total</b>	<b>1,162.13</b>	<b>-</b>
<b>Vendor Advance-Others (net of withholding tax)</b>		
- Technology Service group LLC	3.17	17.23
<b>Total</b>	<b>3.17</b>	<b>17.23</b>

\*Represents income support provided by Mountainstar India Office Parks Private Limited to SDPL Noida as part of Income support agreement starting quarter ended 31 March 2022 until the quarter ending 31 March 2024.

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**44. Employee benefits**

**a) Defined contribution plan:**

The Group makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized Rs. 10.44 million for the year ended 31 March 2022 (for the period ended 31 March 2021: Rs. 1.41 million) for Provident Fund contributions, in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

**b) Defined benefit obligation**

i. Gratuity (included in Note 30 Employee benefits expense)

**1) Reconciliation of opening and closing balances of the present value of defined benefit obligation:**

Particulars	For the year ended	From 17 July 2020 to
	31 March 2022	31 March 2021
	Rs.	Rs.
<b>Change in defined benefit obligations (DBO) during the period</b>		
Present value of DBO at the beginning of the period	10.94	9.49
Acquisition adjustment	4.19	-
Current service cost	4.41	0.94
Interest Cost	0.74	0.16
Net actuarial (Gain)/ loss recognized in the period	(1.19)	0.35
<b>Present value of DBO at the end of the year/period</b>	<b>19.09</b>	<b>10.94</b>

**2) Reconciliation of present value of defined benefit obligations & fair value of plan assets:**

Particulars	As at	As at
	31 March 2022	31 March 2021
	Rs.	Rs.
Present value of defined benefit obligation at the year/period end	19.09	10.94
Plan assets at the year end, at fair value	-	-
<b>Net liability recognized in the balance sheet</b>	<b>19.09</b>	<b>10.94</b>

**3) Net employee benefit expense (recognized in Employee benefits expense) for the year ended 31 March 2022**

Particulars	For the year ended	From 17 July 2020 to
	31 March 2022	31 March 2021
	Rs.	Rs.
<b>Components of employer's expense</b>		
Current service cost	4.42	0.93
Interest Cost	0.74	0.15
<b>Defined benefit cost recognized in the Statement of Profit and Loss</b>	<b>5.16</b>	<b>1.08</b>

**4) Amount recognized in Other Comprehensive Income for the year ended 31 March 2022**

Particulars	For the year ended	From 17 July 2020 to
	31 March 2022	31 March 2021
	Rs.	Rs.
Net cumulative unrecognized actuarial (gain)/ loss opening	-	-
Actuarial (gain) / loss for the year/ period on PBO	(1.19)	0.35
Actuarial (gain) /loss for the year/ period on Asset	-	-
<b>Unrecognized actuarial (gain)/ loss at the end of the period</b>	<b>(1.19)</b>	<b>0.35</b>

**5) Actuarial assumptions**

**Economic Assumptions**

-The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

-The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

	As at 31 March 2022	As at 31 March 2021
Discount rate	7.22%	6.79%
Future Salary escalation	8.00%	8.00%
Expected return on plan assets	-	-

**Demographic Assumption**

Retirement age (Years)	60.00	60.00
Mortality Table	IALM (2012-14)	IALM (2012-14)

**Attrition at ages**

	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**6) Sensitivity Analysis of defined benefit obligation**

a) Impact of Change in discount rate	Impact due to increase of 0.5%	Impact due to decrease of 0.5%
Present Value of Obligation at the end of the year	(1.13)	1.23

b) Impact of Change in Salary Increase	Impact due to increase of 0.5%	Impact due to decrease of 0.5%
Present Value of Obligation at the end of the year	1.05	(1.00)

7) The Group expects to pay Rs. 7.78 million (31 March 2021: Rs. 5.22 million) in contributions to defined benefit plans in the next year.

**8) The following payments are expected from defined benefit obligation in future years:**

Particulars	As at 31 March 2022	As at 31 March 2021
Within the next 12 months	0.19	0.08
Between 2 and 5 years	3.77	1.68
Beyond 5 years	15.13	9.18
<b>Total expected payments</b>	<b>19.09</b>	<b>10.94</b>

**Other Long term employee benefits**

During the year ended 31 March 2022 the Group has incurred an expense on compensated absences amounting to Rs. 1.55 million (period ended 31 March 2021: Rs. 0.29 million). The Group determines the expense for compensated absences basis the actuarial valuation of present value of obligation, using the Projected Unit Credit method.



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**45. Tax expense**

**(a) Amounts recognized in Statement of Profit and Loss**

	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
<b>(a) Income tax expense</b>		
Current tax		
-for current period	27.96	0.44
-for earlier years	(3.81)	18.89
<b>Total current tax expense</b>	<b>24.15</b>	<b>19.33</b>
Deferred tax		
(i) Origination and reversal of temporary differences	(245.01)	(122.93)
(ii) Minimum alternate tax credit		
-for the period	-	-
-for earlier years	-	-
<b>Deferred tax expense</b>	<b>(245.01)</b>	<b>(122.93)</b>
<b>Tax expense for the year/ period</b>	<b>(220.86)</b>	<b>(103.60)</b>
<b>(b) Amounts recognized in other comprehensive income</b>		
<b>Deferred income tax liability / (asset), net</b>		
(i) Net (gain)/ loss on remeasurement of define benefit plans	(0.20)	0.07
<b>Tax expense charged in other comprehensive income for the year/ period</b>	<b>(0.20)</b>	<b>0.07</b>

**(c) Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate)**

Particulars	For the year ended 31 March 2022	From 17 July 2020 to 31 March 2021
<b>Profit before tax</b>	<b>2,241.99</b>	<b>149.43</b>
Tax at the rates applicable to the respective entities	1,218.02	112.59
<b>Tax effect of:</b>		
Deferred tax assets not recognized because realization is not probable	192.41	51.44
Effect of exempt income	(1,929.29)	(308.78)
Tax for earlier years	(3.81)	18.89
Effect of non-deductible expenses	124.76	43.61
Effect of initial recognition exception	166.60	58.08
Others	10.45	(79.43)
<b>Tax expense for the year/ period</b>	<b>(220.86)</b>	<b>(103.60)</b>

**(d) Deferred tax liabilities (net)**

Particulars	Net balance as at 01 April 2021	Net balance as at 24 January 2022*	Recognized in profit or loss	Recognized in other comprehensive income	Net balance as at 31 March 2022
<b>Deferred tax assets (Liabilities)</b>					
Investment property	(95.32)	-	(442.37)	-	(537.69)
Borrowings	44.20	-	14.98	-	59.18
Unabsorbed depreciation & losses	1,729.06	580.36	611.94	-	2,921.36
MAT credit entitlement	964.86	289.06	-	-	1,253.92
Others	(1.57)	-	60.46	(0.20)	58.69
<b>Tax assets (Liabilities)</b>	<b>2,641.23</b>	<b>869.42</b>	<b>245.01</b>	<b>(0.20)</b>	<b>3,755.46</b>

\* on account of SDPL Noida acquisition (refer note 47)

Particulars	Net balance as at 08 February 2021	Recognized in profit or loss	Recognized in other comprehensive income	Net balance as at 31 March 2021
<b>Deferred tax assets (Liabilities)</b>				
Investment property	-	(95.32)	-	(95.32)
Borrowings	-	44.20	-	44.20
Unabsorbed depreciation	1,553.37	175.69	-	1,729.06
MAT credit entitlement	964.86	-	-	964.86
Others	-	(1.64)	0.07	(1.57)
<b>Tax assets (Liabilities)</b>	<b>2,518.23</b>	<b>122.93</b>	<b>0.07</b>	<b>2,641.23</b>

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The Group has recognized deferred tax asset of Rs. 2,921.36 million (31 March 2021: Rs. 1,729.06 million) on unabsorbed depreciation & business losses and Rs. 1,253.92 million (31 March 2021: Rs. 964.86 million) on MAT credit entitlement, considering the deferred tax liability on existing taxable temporary differences in respective SPVs that will reverse in the future and estimated taxable income for future years. The amount of deferred tax assets considered realizable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

As at 31 March 2022, unrecognized deferred tax assets amounting to Rs. 661.01 million (31 March 2021: Rs 565.75 millions) on unabsorbed interest u/s 94B of Income Tax Act 1961, Rs. 63.77 million (31 March 2021: Rs. 15.71 million) on business loss and Rs. 580.29 million (31 March 2021: Rs. 396.99 million) on unabsorbed depreciation, has been detailed below. The deferred tax asset has not been recognized on the basis that its recovery is not considered probable in the foreseeable future.

Deductible temporary differences on which deferred tax asset is not recognized:

March 31,	Particulars	Amounts (Rs in millions)	Deferred tax asset (Rs in millions)
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	167.74	49.23
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	221.79	65.12
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	401.30	117.56
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	1,271.05	416.67
2030	Unabsorbed interest u/s 94B of Income Tax Act 1961	42.68	12.43
2029	Unabsorbed business losses	53.96	15.71
2030	Unabsorbed business losses	165.04	48.06
Indefinite life period	Unabsorbed depreciation	1,992.75	580.29

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. It also depends on availability of taxable temporary differences when the deductible temporary differences are expected to reverse.

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**46** Uncertainty relating to the global health pandemic on COVID-19:

The COVID-19 pandemic has continued to cause disruption to business activities as well as disrupted travel and adversely impacted local, regional, national and international economic conditions. 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). As a result, future revenues and cash flows produced by investment properties could be potentially impacted due to this prevailing uncertainty. In response, Brookfield India REIT has adjusted cash flow assumptions for its estimate of near-term disruption to cash flows to reflect collections, vacancy and assumptions with respect to new leasing activity. In addition, Brookfield India REIT has continued to assess the appropriateness of the discount and terminal capitalization rates giving consideration to changes to property level cash flows and any risk premium inherent in such cash flow changes as well as the current cost of capital and credit spreads. Further, in developing assumptions relating to possible future uncertainties in the Indian economic conditions because of this pandemic; Brookfield India REIT, as at the date of approval of these 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 at the date of approval of these Consolidated Financial Statements.

**47 Assets Acquisition**

(i) On 8 February 2021 (the acquisition date), Brookfield India REIT acquired 100% of the equity interest and compulsorily convertible debentures of four SPVs as described in more detail in Note 1 - Organization structure; in exchange for units of Brookfield India REIT amounting to Rs. 45,270.45 Million (the "Purchase consideration").

The management applied the optional concentration test, under Ind AS 103, and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in investment properties, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition.

The management identified and recognized the individual identifiable assets acquired and liabilities assumed; and allocated the purchase consideration to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition.

The allocated value of the identifiable assets and liabilities of the four SPVs as at the date of acquisition were:

<b>Assets</b>	<b>Amount (in million)</b>
Property, plant and equipment	98.22
Investment property	100,378.03
Investment property under development	723.34
Other assets	6,848.43
<b>Total Assets (A)</b>	<b>108,048.02</b>
<b>Liabilities</b>	
Borrowings (including current maturities of long term borrowings)	56,776.42
Other liabilities	6,001.16
<b>Total Liabilities (B)</b>	<b>62,777.58</b>
<b>Net Assets (A – B)</b>	<b>45,270.44</b>

(ii) On 24 January 2022 (the acquisition date), Brookfield India REIT acquired 100% of the equity interest and compulsorily convertible debentures of SDPL Noida as described in more detail in Note 1 - Organization structure; in exchange through combination of units of Brookfield India REIT of Rs. 4,550.17 million and cash consideration of Rs. 13,153.83 million, total amounting to Rs. 17,704.00 million. Brookfield India REIT has also incurred directly attributable expenses in relation to this asset acquisition, amounting to Rs. 118.22 million, resulting in the total purchase consideration of Rs. 17,822.22 million (the "Purchase consideration").

The management applied the optional concentration test, under Ind AS 103, and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in investment properties, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition.

The management identified and recognized the individual identifiable assets acquired and liabilities assumed; and allocated the purchase consideration to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition.

The allocated value of the identifiable assets and liabilities of SDPL Noida as at the date of acquisition were:

<b>Assets</b>	<b>Amount (in million)</b>
Property, plant and equipment	29.31
Investment property	35,344.03
Investment property under development	1,110.75
Other assets	3,699.40
<b>Total Assets (A)</b>	<b>40,183.49</b>
<b>Liabilities</b>	
Borrowings (including current maturities of long term borrowings)	20,464.86
Other liabilities	1,896.41
<b>Total Liabilities (B)</b>	<b>22,361.27</b>
<b>Net Assets (A – B)</b>	<b>17,822.22</b>

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**48 Management fee**

**Property Management Fees**

Pursuant to the Candor Amended and Restated Service Agreement dated 01 December 2020 with SPPL Noida and Candor Kolkata and agreement dated 11 February 2022 with SDPL Noida, Investment Manager is entitled to a yearly fees @ 3% of the income from operating lease rentals as recorded in the books of accounts of SPPL Noida, Candor Kolkata and SDPL Noida, payable on a monthly basis, exclusive of applicable taxes. The fees has been determined for providing real estate operating services to CIOP in relation to the Operational Services rendered by it with respect to SPPL Noida, Candor Kolkata and SDPL Noida. The said Management fees for the year ended 31 March 2022 and period ended 31 March 2021 amounts to Rs. 141.03 million and Rs. 19.04 million respectively. There are no changes during the year ended 31 March 2022 in the methodology for computation of fees paid to the Manager.

Pursuant to the Festus Service Agreement dated 01 December 2020, Investment Manager is entitled to a yearly fee of 3% of the income from operating lease rentals as recorded in the books of accounts of Festus, payable on a monthly basis, exclusive of applicable taxes. The fees has been determined for providing real estate operating services to Festus in relation to the management and operation of the Kensington and any other properties developed by Festus from time to time ("Festus Properties"). The said Management fees for the year ended 31 March 2022 and period ended 31 March 2021 amounts to Rs. 45.66 million and Rs. 5.87 million respectively. There are no changes during the year ended 31 March 2022 in the methodology for computation of fees paid to the Manager.

**REIT Management Fees**

Pursuant to the Investment Management Agreement dated 17 July 2020, Investment Manager is entitled to fees @ 1% of NDCF, exclusive of applicable taxes (also refer note 51). The fees has been determined for undertaking management of the REIT and its investments. The said Management fees for the year ended 31 March 2022 amounts to Rs. 81.21 million respectively. There are no changes during the year ended 31 March 2022 in the methodology for computation of fees paid to the Manager.

**Additional information disclosure pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

**49 Relationship with Struck off Companies:**

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year 31 March 2022	Balance outstanding 31 March 2022 (Rs. million)	Relationship with the Struck off company, if any, to be disclosed
Kwals Hospitality OPC Private Limited	Payables	0.12	(3.35)	Vendor
Kwals Hospitality OPC Private Limited	Security deposit payable	0.75	(1.75)	Customer
Kwals Hospitality OPC Private Limited	Trade Receivable	(0.87)	7.10	Customer

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the period 31 March 2021	Balance outstanding 31 March 2021 (Rs. million)	Relationship with the Struck off company, if any, to be disclosed
Kwals Hospitality OPC Private Limited	Payables	-	(3.47)	Vendor
Kwals Hospitality OPC Private Limited	Security deposit payable	-	(1.75)	Customer
Kwals Hospitality OPC Private Limited	Trade Receivable	-	6.38	Customer

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**50 Details of utilization of proceeds of IPO are as follows:**

**For the year ended 31 March 2022:**

Objects of the issue as per the prospectus	Proposed utilization	Actual utilization upto 31 March 2022	Unutilized amount as at 31 March 2022
Partial or full pre-payment or scheduled repayment of the existing indebtedness of our Asset SPVs	35,750.00	35,750.00	-
General purposes (refer note below)	350.00	672.45	-
Issue expenses (refer note below)	1,900.00	1,577.55	-
<b>Total</b>	<b>38,000.00</b>	<b>38,000.00</b>	<b>-</b>

Note: Amount of Rs. 322.45 million has been used for general corporate purposes from the proposed utilization towards issue expenses.

**For the period ended 31 March 2021:**

Objects of the issue as per the prospectus	Proposed utilization	Actual utilization upto 31 March 2021	Unutilized amount as at 31 March 2021
Partial or full pre-payment or scheduled repayment of the existing indebtedness of our Asset SPVs	35,750.00	35,750.00	-
General purposes	350.00	350.00	-
Issue expenses	1,900.00	288.13	1,611.87
<b>Total</b>	<b>38,000.00</b>	<b>36,388.13</b>	<b>1,611.87</b>

**51 Distribution Policy**

In terms of the Distribution policy and REIT Regulations, not less than 90% of the NDCF's of our Asset SPVs are required to be distributed to Brookfield REIT, in proportion of its shareholding in our Asset SPVs, subject to applicable provisions of the Companies Act. The cash flows receivable by Brookfield REIT may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from our Asset SPVs/ CIOP, sale proceeds out of disposal of investments of any or assets directly/ indirectly held by Brookfield REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the applicable laws.

At least 90% of the NDCF's of Brookfield REIT ("REIT Distributions") shall be declared and made once every quarter of a Financial Year by our Manager. The first distribution shall be made upon completion of the first full quarter after the listing of our Units on the Stock Exchanges. Further, in accordance with the REIT Regulations, REIT Distributions shall be made no later than 15 days from the date of such declarations. The REIT Distributions, when made, shall be made in Indian Rupees.

The NDCF's shall be calculated in accordance with the REIT Regulations and any circular, notification or guidelines issued thereunder including the SEBI Guidelines.

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
**(All amounts are in Rupees millions unless otherwise stated)**  
**Notes to the Consolidated Financial Statements**

- 52 Shantiniketan Properties Private Limited (SPPL Noida) and Candor Kolkata One Hi-Tech Structures Private Limited (“Candor Kolkata”), which became subsidiary of Brookfield India REIT after it was acquired by it in February 2021, had received certain amounts as share application money (“Share Application Money”) prior to 31 March 2014, against which SPPL Noida had not allotted shares or refunded such Share Application Money and Candor Kolkata had not allotted shares. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with Paragraph 8(4) of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 (the Rules). During the period ended 31 March 2021, both the subsidiaries had filed application u/s 441 of the Companies Act, 2013 for compounding of offence.

Pursuant to the hearing held on 30 December, 2021, Hon’ble Regional Director accepted the compounding application(s) filed by SPPL Noida and Candor Kolkata and compounded the offence for both the companies by levying a compounding fees, amounting to Rs. 1.05 million for SPPL Noida and Rs. 0.40 million for Candor Kolkata, and passed the order dated 25 January 2022 and 24 January 2022 for Candor Kolkata and SPPL Noida, respectively. The said compounding fees has been paid by the respective subsidiaries within the requisite timelines during the year ended 31 March 2022.

- 53 "0.00" Represents value less than Rs. 0.01 million.

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 18 May 2022

**Alok Aggarwal**  
Chief Executive Officer  
Place: Mumbai  
Date: 18 May 2022

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Mumbai  
Date: 18 May 2022

## **INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE CONDENSED COMBINED FINANCIAL STATEMENTS OF BROOKFIELD INDIA REIT – PORTFOLIO COMPANIES**

To

The Board of Directors and Issue Committee of the Board of Directors,  
Brookprop Management Services Private Limited (the "Manager") in its capacity as the Manager  
of Brookfield India Real Estate Trust ("Brookfield India REIT")

### **Report on the Audit of the Special Purpose Condensed Combined Financial Statements of the Brookfield India REIT - Portfolio Companies**

#### **Opinion**

We have audited the accompanying Special Purpose Condensed Combined Financial Statements of the Brookfield India REIT and its certain subsidiaries, comprising of Candor Kolkata One Hi-Tech Structures Private Limited ("Candor Kolkata"), Shantiniketan Properties Private Limited ("SPPL Noida"), Festus Properties Private Limited (Festus), and Candor India Office Parks Private Limited (CIOP) (collectively, "Brookfield India REIT - Portfolio Companies" or the "Trust Group") as described in Note 1 of the Special Purpose Condensed Combined Financial Statements, which comprise the Special Purpose Condensed Combined Balance Sheet as at 31 March 2021, the Special Purpose Condensed Combined Statement of Profit and Loss (including other comprehensive income), the Special Purpose Condensed Combined Statement of Cash Flows and the Special Purpose Condensed Combined Statement of Changes in Equity for the year ended 31 March 2021 and notes to the Special Purpose Condensed Combined Financial Statements, including a summary of significant accounting policies and selected explanatory information (together referred to as the "Special Purpose Condensed Combined Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Condensed Combined Financial Statements give a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Special Purpose Condensed Combined Financial Statements, of the state of affairs of the Brookfield India REIT - Portfolio Companies as at 31 March 2021 and of its loss (including other comprehensive loss), its changes in equity, and its cash flows for the year ended 31 March 2021.

#### **Basis for Opinion**

We conducted our audit of the Special Purpose Condensed Combined Financial Statements in accordance with the Standards on Auditing (SAs) and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Condensed Combined Financial Statements section of our report. We are independent of the Brookfield India REIT - Portfolio Companies in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a reasonable basis for our opinion on the Special Purpose Condensed Combined Financial Statements.

#### **Emphasis of Matters**

- (i) Basis of Accounting and Restriction of Use

We draw attention to Note 2.1 to the Special Purpose Condensed Combined Financial Statements, which describes the purpose and basis of preparation. The Brookfield India REIT was formed on

17 July 2020 and as a result its first set of financial reporting was made for the period from 17 July 2020 to 31 March 2021. The basis of preparation of the Special Purpose Condensed Combined Financial Statements is significantly different as compared to the basis of preparation of Consolidated Financial Statements as at and for the period from 17 July 2020 to 31 March 2021 of the Brookfield India Real Estate Trust. As a result, the state of affairs of the Brookfield India REIT - Portfolio Companies as at 31 March 2021 and its loss, its changes in equity and its cash flows for the year then ended relating to Special Purpose Condensed Combined Financial Statements and Consolidated Financial Statements of the Brookfield India Real Estate Trust are significantly different. The Special Purpose Condensed Combined Financial Statements have been prepared by the Manager for inclusion in the Preliminary Placement Document ("PPD") and Placement Document ("PD") (collectively, the "Placement Documents") prepared by the Manager in connection with the Institutional Placement ("the Issue") of the units of Brookfield India REIT. As a result, the Special Purpose Condensed Combined Financial Statements may not be suitable for another purpose. Our report is intended solely for the purpose of inclusion in Placement Documents and is not to be used, referred to or distributed for any other purpose without our prior written consent.

(ii) Presentation of Unit Capital

We draw attention to Note 15(a)(i) of the Special Purpose Condensed Combined Financial Statements which describes the presentation of "Unit Capital" as "Equity" to comply with REIT Regulations.

Our opinion is not modified in respect of these matters.

**Responsibilities of the Management and Those Charged with Governance for the Special Purpose Condensed Combined Financial Statements**

The Board of Directors (the "Board") of the Manager is responsible for the preparation and presentation of these Special Purpose Condensed Combined Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Brookfield India REIT - Portfolio Companies in accordance with the basis of preparation and for the purpose set out in Note 2.1 to the Special Purpose Condensed Combined Financial Statements.

The Board of the Manager and respective Board of the above-mentioned subsidiaries of Brookfield India REIT are responsible for maintenance of adequate accounting records for safeguarding the assets of the Brookfield India REIT - Portfolio Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Condensed Combined Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Special Purpose Condensed Combined Financial Statements by the Board of the Manager, as aforesaid.

In preparing the Special Purpose Condensed Combined Financial Statements, the management of Manager and the respective management of the above-mentioned subsidiaries of Brookfield India REIT included in the Brookfield India REIT - Portfolio Companies are responsible for assessing ability of Brookfield India REIT - Portfolio Companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Manager and the respective Board of the above-mentioned subsidiaries included in the Brookfield India REIT - Portfolio Companies either intends to liquidate the Brookfield India REIT - Portfolio Companies or to cease operations, or has no realistic alternative but to do so.

The Board of Manager and the respective Board of the above-mentioned subsidiaries included in the Brookfield India REIT - Portfolio Companies are also responsible for overseeing the financial reporting process of the Brookfield India REIT - Portfolio Companies.



## **Auditor's Responsibilities for the Audit of the Special Purpose Condensed Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Condensed Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs and other pronouncements issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Condensed Combined Financial Statements.

As part of our audit in accordance with SAs and other pronouncements issued by ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Condensed Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Brookfield India REIT - Portfolio Companies internal financial control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of Manager.
- Conclude on the appropriateness of management of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Brookfield India REIT - Portfolio Companies ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Condensed Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Brookfield India REIT - Portfolio Companies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Condensed Combined Financial Statements, including the disclosures, and whether the Special Purpose Condensed Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Condensed Combined Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Condensed Combined Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Condensed Combined Financial Statements.

We communicate with those charged with governance of the Manager and such other entities included in the Special Purpose Condensed Combined Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

As required by the Securities and Exchange Board of India circular number CIR/IMD/DF/141/2016 dated 26 December 2016 ("SEBI Circular"), based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) The Special Purpose Condensed Combined Balance Sheet, Special Purpose Condensed Combined Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Condensed Combined Statement of Cash Flows and Special Purpose Condensed Combined Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Special Purpose Condensed Combined Financial Statements; and
- c) In our opinion, the aforesaid Special Purpose Condensed Combined Financial Statements comply with the basis of preparation as stated in Note 2.1 to the Special Purpose Condensed Combined Financial Statements.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

**Anand Subramanian**  
(Partner)  
(Membership No. 110815)  
(UDIN: 23110815BGXVLO4565)

Place: Mumbai  
Date: 24 July 2023

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Special Purpose Condensed Combined Balance Sheet**

Particulars	Note	As at 31 March 2021
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	3	122.43
Investment property	4	44,002.33
Investment property under development	4	791.74
Intangible assets	3	0.42
Financial assets		
-Other financial assets	5	1,222.27
Deferred tax assets (net)	6	5.30
Non-current tax assets (net)	7	1,527.81
Other non-current assets	8	38.04
<b>Total non-current assets</b>		<b>47,710.34</b>
<b>Current assets</b>		
Financial assets		
-Trade receivables	9	241.35
-Cash and cash equivalents	10	3,155.19
-Other bank balances	11	150.65
-Loans	12	-
-Other financial assets	13	464.80
Other current assets	14	157.31
<b>Total current assets</b>		<b>4,169.30</b>
<b>TOTAL ASSETS</b>		<b>51,879.64</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Unit Capital	15	81,774.78
Other equity	16	(58,743.39)
<b>Total equity</b>		<b>23,031.39</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Financial liabilities		
-Borrowings	17	21,015.17
-Lease liabilities		87.12
-Other financial liabilities	18	1,251.61
Long term provisions	19	10.86
Deferred tax liabilities (net)	20	1,001.87
Other non-current liabilities	21	336.57
<b>Total non-current liabilities</b>		<b>23,703.20</b>

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Special Purpose Condensed Combined Balance Sheet**

Particulars	Note	As at 31 March 2021
<b>Current liabilities</b>		
Financial liabilities		
-Lease liabilities		10.42
-Trade payables	22	
Total outstanding dues of micro enterprises and small enterprises		7.83
Total outstanding dues of creditors other than micro enterprises and small enterprises		437.67
-Other financial liabilities	23	4,227.99
Short term provisions	24	4.49
Other current liabilities	25	336.26
Current tax liabilities (net)	26	120.39
<b>Total current liabilities</b>		<b>5,145.05</b>
<b>Total liabilities</b>		<b>28,848.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>51,879.64</b>

**Significant accounting policies**

2

The accompanying notes from 1 to 47 form an integral part of these Special purpose Condensed Combined Financial Statements.

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Issue Committee of the Board of Directors of

**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**

Partner  
Membership No: 110815  
Place: Mumbai  
Date: 24 July 2023

**Ankur Gupta**

Director  
DIN No. 08687570  
Place: Mumbai  
Date: 24 July 2023

**Alok Aggarwal**

Chief Executive Officer  
Place: Gurugram  
Date: 24 July 2023

**Sanjeev Kumar Sharma**

Chief Financial Officer  
Place: Gurugram  
Date: 24 July 2023

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Special Purpose Condensed Combined Statement of Profit and Loss**

Particulars	Note	For the year ended 31 March 2021
<b>Income and gains</b>		
Revenue from operations	27	8,628.01
Other income	28	161.52
<b>Total income</b>		<b>8,789.53</b>
<b>Expenses and losses</b>		
Cost of material consumed	29	12.88
Employee benefits expenses	30	219.27
Finance costs	31	5,531.18
Depreciation and amortization expenses	32	1,229.54
Valuation Expenses		5.78
Trustee fees		2.21
Other expenses	33	3,511.67
<b>Total expenses</b>		<b>10,512.53</b>
<b>Loss before income tax</b>		<b>(1,723.00)</b>
<b>Tax expense:</b>	34	
Current tax		
-for current years		24.77
-for earlier years		18.89
Deferred tax charge		219.29
<b>Tax expense for the year</b>		<b>262.95</b>
<b>Loss for the year</b>		<b>(1,985.95)</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit obligations		(0.55)
- Income tax related to items that will not be reclassified to profit or loss		0.18
<b>Other comprehensive (loss) for the year, net of tax</b>		<b>(0.37)</b>
<b>Total comprehensive loss for the year</b>		<b>(1,986.32)</b>
Earnings per unit	40	NA
<b>Significant accounting policies</b>	2	

The accompanying notes from 1 to 47 form an integral part of these Special purpose Condensed Combined Financial Statements.

As per our report of even date attached

**For Deloitte Haskins & Sells**

Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Issue Committee of the Board  
of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Mumbai  
Date: 24 July 2023

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 24 July 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Gurugram  
Date: 24 July 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Gurugram  
Date: 24 July 2023

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
(All amounts are in Rupees Millions unless otherwise stated)

**Special Purpose Condensed Combined statement of cash flows**

Particulars	For the year ended 31 March 2021
<b>Cash flows from operating activities :</b>	
Loss before tax	(1,723.00)
<i>Adjustments for :</i>	
Depreciation and amortization expense	1,229.54
Allowance for credit loss	37.78
Loss on derivative relating to share conversion feature in 12% CCD at fair value through profit or loss	1,108.50
Interest income on fixed deposit	(58.09)
Deferred Income amortization	(155.73)
Credit impaired	26.90
Property, plant and equipment written off	1.12
Finance cost	5,531.18
Liabilities/provisions no longer required written back	(19.10)
Interest income on security deposit	(17.59)
<b>Operating cash flow before working capital changes</b>	<b>5,961.51</b>
<b>Adjustments :</b>	
Decrease in other current and non current assets	43.26
(Decrease) in other current and non current liabilities	(66.88)
Decrease in current and non current financial assets	346.96
(Decrease) in current and non current financial liabilities	(292.88)
<b>Cash flows generated from operating activities</b>	<b>5,991.97</b>
Income taxes paid (net of refund)	274.83
<b>Net cash flows generated from operating activities (A)</b>	<b>6,266.80</b>
<b>Cash flow from investing activities :</b>	
Expenditure incurred on investment property	(929.17)
Purchase of property, plant and equipment	(36.95)
Fixed deposits matured*	7,990.04
Fixed deposits made*	(8,173.65)
Interest received on fixed deposits	60.99
Interest received -others	17.59
<b>Net cash flow used in investing activities (B)</b>	<b>(1,071.15)</b>
<b>Cash flow from financing activities :**</b>	
Finance costs paid	(6,058.09)
Proceeds from long-term borrowings	44,579.99
Repayment of Lease liabilities	(7.28)
Repayment of non convertible bonds	(21,000.00)
Repayment of long-term borrowing	(56,908.40)
Payment for dividend	(1,851.92)
Repayment of inter corporate deposits	(1,603.94)
Interest paid on inter corporate deposits	(188.10)
Proceeds from issue of debentures	256.00
Repayment of debentures	(256.00)
Proceeds from issue of Units	38,000.00
Expense incurred towards Initial public offerings	(268.14)
<b>Net cash flow used in financing activities (C)</b>	<b>(5,305.88)</b>

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
(All amounts are in Rupees Millions unless otherwise stated)

**Special Purpose Condensed Combined statement of cash flows**

Particulars	For the year ended 31 March 2021
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(110.23)</b>
<b>Cash and cash equivalents at the beginning of the year (refer note 10)</b>	
Bank balance	
-in current account	229.12
-in deposit account	3,036.30
	<u><u>3,265.42</u></u>
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>3,155.19</b>
<b>Components of cash and cash equivalents at the end of the year</b>	
Balances with banks	
- in current account	1,132.32
- in deposit account	590.00
- in escrow account	1,432.87
	<u><u>3,155.19</u></u>

\* Represents fixed deposits with original maturity of more than 3 months.

\*\* Refer note 46 for changes in liabilities arising from financing activities.

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard -7 : "Statement on Cash Flows".

**Significant accounting policies (refer note 2)**

The accompanying notes from 1 to 47 form an integral part of these Special purpose Condensed Combined Financial Statements.

As per our report of even date attached

**For Deloitte Haskins & Sells**

Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Issue Committee of the Board of  
Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**

Partner  
Membership No: 110815  
Place: Mumbai  
Date: 24 July 2023

**Ankur Gupta**

Director  
DIN No. 08687570  
Place: Mumbai  
Date: 24 July 2023

**Alok Aggarwal**

Chief Executive Officer  
Place: Gurugram  
Date: 24 July 2023

**Sanjeev Kumar Sharma**

Chief Financial Officer  
Place: Gurugram  
Date: 24 July 2023

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
(All amounts are in Rupees million unless otherwise stated)

**Special Purpose Condensed Combined Statement of Changes in Equity**

	Shares in Nos.	Amount
<b>(a) Capital</b>		
<b>Balance as on 1 April 2020</b>	<b>65,203,437</b>	<b>652.04</b>
Add: Share issued during the year of Festus Properties Private Limited and Shantiniketan Properties Private Limited	138,741,206	5,433.72
Less: Elimination on acquisition of subsidiaries share by Brookfield India REIT (refer note 2.1(b))	(203,944,643)	(6,085.76)
<b>Balance at the end of the reporting period 31 March 2021</b>	<b>-</b>	<b>-</b>
	<b>Unit in Nos.</b>	<b>Amount</b>
<b>(b) Unit Capital (refer note 1)</b>		
<b>Balance as on 1 April 2020</b>	-	-
Units issued during the year (refer note 15)	302,801,601	83,270.44
Issue expenses	-	(1,495.66)
<b>Balance at the end of the reporting period 31 March 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>

**(c) Other equity**

Particulars	Equity component of compound financial instruments #	Reserves and surplus							Combination adjustments account^^	Total attributable to equity shareholders	Share Pending Issuance@@	Total
		Amalgamation adjustments account ##	Retained earnings / (accumulated deficit)	Securities premium *	Capital redemption reserve**	Debenture Redemption Reserve ***	Capital Reserve ****					
<b>Balance at 1 April 2020</b>	<b>2,821.82</b>	<b>(29,030.64)</b>	<b>(858.26)</b>	<b>1,770.64</b>	<b>0.10</b>	<b>243.00</b>	<b>2,034.23</b>	-	<b>(23,019.11)</b>	<b>0.00</b>	<b>(23,019.11)</b>	
Dividend declared & Paid during the year^	-	-	(1,851.92)	-	-	-	-	-	(1,851.92)	-	(1,851.92)	
Share issued during the year	-	-	-	-	-	-	-	-	-	(0.00)	(0.00)	
Debenture redemption reserve	-	-	243.00	-	-	(243.00)	-	-	-	-	-	
Conversion of unsecured compulsorily convertible debentures	(2,821.82)	-	(31.65)	(72.89)	-	-	(100.57)	-	(3,026.93)	-	(3,026.93)	
Loss for the year	-	-	(1,985.95)	-	-	-	-	-	(1,985.95)	-	(1,985.95)	
Other comprehensive loss for the year	-	-	(0.37)	-	-	-	-	-	(0.37)	-	(0.37)	
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(1,986.32)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,986.32)</b>	<b>-</b>	<b>(1,986.32)</b>	
Elimination on acquisition of subsidiaries share by REIT^^	-	29,030.64	4,859.60	(1,697.75)	(0.10)	-	(1,933.66)	(59,117.84)	(28,859.11)	-	(28,859.11)	
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>374.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(59,117.84)</b>	<b>(58,743.39)</b>	<b>-</b>	<b>(58,743.39)</b>	

@@ Represent equity shares to be issued pursuant to amalgamation (refer note 44).

# It represents the equity component related to the convertible debentures.

## It represents excess of consideration over carrying value of net assets (including reserves) in case of amalgamation. The amount is adjusted to the extent of reserves available with the transferee company as at 1 April 2017 (refer note 44).

\*Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

\*\*It represents the face value of the equity capital bought back from the shareholders under buy back scheme.

\*\*\*Debenture redemption reserve created on non convertible bonds issued during 2018-19 to the extent the company have profits available for payment of dividend. The same got transferred to retained earnings during the year ended 31 March 2021 as the underlying non convertible bonds repaid.

\*\*\*\* Capital Reserve has created on account of demerger of Festus Properties Private Limited amounting to Rs. 654.38 million and on fair valuation of compulsorily convertible debentures issued by Candor Kolkata One Hi-Tech Structures Private Limited amounting to Rs.1,379.85 million (net of deferred tax).

^During the year ended 31 March 2021, Candor Kolkata and CIOP declared and paid interim dividend of Rs. 26,006 per equity share and Rs. 33,000 per equity share aggregating to Rs. 1,521.92 million and Rs. 330.00 million respectively.

^^ Refer note 2.1(b)

**Significant accounting policies (refer note 2)**

The accompanying notes from 1 to 47 form an integral part of these Special purpose Condensed Combined Financial Statements.

As per our report of even date attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Issue Committee of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815  
Place: Mumbai  
Date: 24 July 2023

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 24 July 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Gurugram  
Date: 24 July 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Gurugram  
Date: 24 July 2023



**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**1 Organization structure**

The special purpose condensed combined financial statements ('Special Purpose Condensed Combined Financial Statements') comprise financial statements of Brookfield India Real Estate Trust ('Brookfield India REIT' or 'Trust') and its certain subsidiaries namely Shantiniketan Properties Private Limited ('SPPL Noida'), Candor Kolkata One Hi-Tech Structures Private Limited ('Candor Kolkata'), Festus Properties Private Limited ('Festus') (individually referred to as 'Special Purpose Vehicle' or 'SPV') and Candor India Office Parks Private Limited ('CIOP') ('Property management company' or 'PMC'). Brookfield India REIT together with SPVs and PMC are referred to as 'Brookfield India REIT - Portfolio Companies' or 'Group'. These subsidiaries are companies domiciled in India.

Brookprop Management Services Private Limited (the 'Settlor') has set up the Brookfield India Real Estate Trust on 17 July 2020, as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 14 September 2020 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Brookfield India Real Estate Trust is Axis Trustee Services Limited (the 'Trustee') and the Manager for Brookfield India Real Estate Trust is Brookprop Management Services Private Limited (the 'Investment Manager' or 'Manager').

The objectives of Brookfield India REIT is to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of Brookfield India REIT is to own and invest in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders.

Brookfield India REIT acquired the following subsidiaries by acquiring all the equity interests and compulsorily convertible debentures held by the Sponsor and certain members of Sponsor Group (refer note 43) on 08 February 2021. In exchange for these equity interests and compulsorily convertible debentures, the above shareholders have been allotted 164,619,801 Units of Brookfield India REIT valued at Rs. 275/- each.

Brookfield India REIT went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the successful applicants on 08 February 2021 and 11 February 2021.

All these Units were subsequently listed on the National Stock Exchange India Limited (NSE) and BSE Limited on 16 February 2021.

The brief activities and shareholding pattern of the subsidiaries are provided below:

<u>Name of subsidiaries</u>	<u>Activities</u>	<u>Shareholding as of 08 February 2021 (in percentage)*</u>	<u>Shareholding from 08 February 2021 (in percentage)**</u>
SPPL Noida	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS sector in Sector 62, Noida, Uttar Pradesh.	BSREP India Office Holdings Pte. Ltd.: 100% BSREP Moon C1 L.P.: 0.00% (10 Shares)	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
Candor Kolkata	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in New Town, Rajarhat, Kolkata and Sector 21, Dundaheera Gurugram	BSREP India Office Holdings V Pte. Ltd.: 99.97% BSREP India Office Holdings Pte. Ltd.: 0.03%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
CIOP	Providing management related service including facilities management service and property management services.	BSREP Moon C1 L.P.: 99.99% BSREP Moon C2 L.P. : 0.01%	Brookfield India REIT : 100% Candor Kolkata One Hi-Tech Structures Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
Festus	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in Powai, Mumbai.	Kairos Property Managers Pvt. Ltd.:10.76% BSREP II India Office Holdings II Pte. Ltd.:89.24%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)

\*Before acquisition by Brookfield India REIT

\*\*After acquisition by Brookfield India REIT

## **Brookfield India REIT - Portfolio Companies Special Purpose Condensed Combined Financial Statements**

### **Notes to the special purpose condensed combined financial statements**

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## **2. Basis of preparation and significant accounting policies**

### **2.1 Basis of preparation of Special Purpose Condensed Combined Financial Statements**

The Special Purpose Condensed Combined Financial Statements of Brookfield India REIT – Portfolio Companies comprises the Special Purpose Condensed Combined Balance Sheet as at 31 March 2021, the Special Purpose Condensed Combined Statement of Profit and Loss (including other comprehensive income), the Special Purpose Condensed Combined Statement of Cash Flows, the Special Purpose Condensed Combined Statement of Changes in Equity for the year ended 31 March 2021 and a summary of significant accounting policies and other explanatory information. The Special Purpose Condensed Combined Financial Statements have been prepared as per the requirement of Securities and Exchange Board of India circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (“SEBI Circular”), in accordance with the Guidance note on Reports in Company Prospectuses (Revised 2019) and the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India (“ICAI”) (the “Guidance Notes”) using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (‘Ind AS’) to the extent not inconsistent with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended (“REIT Regulation”) (refer note 15(a)(i) on presentation of “Unit Capital” as “Equity” instead of compound financial instruments under Ind AS 32 – Financial Instruments: Presentation). These Special Purpose Condensed Combined Financial Statements do not include all the information and disclosures that would otherwise be required in a full set of financial statements. The Special Purpose Condensed Combined Financial Statements were authorized for issue in accordance with circular resolution passed by the Issue Committee, on behalf of the Board of Directors of the Manager on 24 July 2023.

The Special Purpose Condensed Combined Financial Statements are special purpose financial statements and have been prepared by the Manager for the purpose of inclusion in the Preliminary Placement Document and Placement Document (together known as “Placement Documents”) to be filed with National Stock Exchange of India Limited and BSE Limited in connection with proposed institutional placement of its Units. As a result, the Special Purpose Condensed Combined Financial Statements may not be suitable for any other purpose. Further the Special Purpose Condensed Combined Financial Statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013, as amended.

In accordance with the requirements of the REIT Regulations, Brookfield India REIT was set up on 17 July 2020 and has been in existence for a period less than three completed financial years as at 31 March 2023. Brookfield India REIT acquired above-mentioned subsidiaries on 08 February 2021 (refer note 1). The Special Purpose Condensed Combined Financial Statements are prepared based on an assumption that all the subsidiaries were part of Brookfield India REIT for the year ended 31 March 2021.

The Special Purpose Condensed Combined financial statements are presented in Indian Rupees in Millions, except when otherwise indicated.

### **Basis of Combination**

The Special Purpose Condensed Combined Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the portfolio companies used for the purpose of combination are drawn up to the same reporting date i.e. year ended on 31 March 2021.

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**

**Notes to the special purpose condensed combined financial statements**

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The procedure adopted for preparing Special Purpose Condensed Combined Financial Statements of Brookfield India REIT – Portfolio Companies are stated below:

- a) The Special Purpose Condensed Combined Financial Statements have been prepared using the principles of consolidation as per Ind AS 110—Consolidated Financial Statements and the Guidance Note on Combined and Carve-Out Financial Statements, to the extent applicable.
  
- b)
  - i) The basis of preparation of the Special Purpose Condensed Combined Financial Statements is significantly different and results in a significantly different view of the state of affairs of the Brookfield India REIT – Portfolio Companies as at 31 March 2021 and its loss, its changes in equity and its cash flows for the year then ended, than the basis of the preparation of the Consolidated Financial Statement of the Brookfield India REIT, in accordance with Ind AS, and the view that such Consolidated Financial Statement has presented of the state of affairs of the Brookfield India REIT as at 31 March 2021 and its profit, its changes in equity and its cash flows for the period then ended.
  - ii) The Special Purpose Condensed Combined Financial Statements of the Brookfield India REIT – Portfolio Companies have not been adjusted to reflect accounting of acquisition of the above-mentioned subsidiaries by the Brookfield India REIT, consummated on 8 February 2021, as per Ind AS 103 “Business Combinations”.
  - iii) The Manager has applied the optional concentration test, under Ind AS 103, in the Consolidated Financial Statements of Brookfield India REIT for the period ended 31 March 2021 (“Consolidated Financial Statements”) and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in investment properties, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition in the Consolidated Financial Statements for the period ended 31 March 2021. The Manager identified and recognised the individual identifiable assets acquired and liabilities assumed; and allocated the purchase consideration to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition in the Consolidated Financial Statements. Further, such Consolidated Financial Statements reflect in its consolidated statement of profit and loss, the profit and loss of the acquired above-mentioned subsidiaries only from the date of acquisition i.e. from 8 February 2021 to 31 March 2021. These Consolidated Financial Statements are also included in the Placement Documents.
  - iv) For the preparation of the Special Purpose Condensed Combined Financial Statement for the year ended 31 March 2021, the above-mentioned subsidiaries were combined based on the assumption that these subsidiaries were part of the Group for the entire period presented pursuant to the SEBI Circular. Further, all the subsidiaries were combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows based on the historical financial information of subsidiaries. Excess of cost of investment over carrying value of net assets acquired on the date of acquisition (08 February 2021) is reflected as “combination adjustment account” in statement of changes in equity. Therefore, the balances of property plant and equipment, investment property, investment property under development, certain other assets, liabilities, equity, income, expenses and

## **Brookfield India REIT - Portfolio Companies Special Purpose Condensed Combined Financial Statements**

### **Notes to the special purpose condensed combined financial statements**

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cash flows in the Consolidated Financial Statements are significantly different than the values presented in these Special Purpose Condensed Combined Financial Statement as at 31 March 2021.

- v) Due to the above and the other differences between the basis of preparation of the Special Purpose Condensed Combined Financial Statement and the Consolidated Financial Statements, the Special Purpose Condensed Combined Financial Statement are not representative of the position which is reflected in the Consolidated Financial Statements as at and for the period ended 31 March 2021.
- c) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of Brookfield India REIT – Portfolio Companies (profits or losses resulting from intragroup transactions that are recognized in assets, such as Investment property) are eliminated in full.
- d) The Special Purpose Condensed Combined Financial Statements reflects amalgamation of Candor Gurgaon 2 into Candor Kolkata accounted for in accordance with Appendix C to Ind AS 103 with effect from 1 April 2017. Refer note 44 for details of the same.
- e) The tax expense involves aggregation of the tax expenses actually incurred by the combining businesses in accordance with para 33 of the Guidance Note on Combined and Carve-Out Financial Statements adjusted for tax effects on adjustments recorded to align for uniform accounting policies.
- f) The figures in the notes to accounts and disclosures have been combined line by line and only transactions and balances between the portfolio companies have been eliminated.

### **2.2 Significant accounting policies**

#### **a) Functional and presentation currency**

The Special Purpose Condensed Combined financial statements are presented in Indian rupees, which is Brookfield India REIT- Portfolio companies's functional currency and the currency of the primary economic environment in which Brookfield India REIT- Portfolio companies operates. All financial information presented in Indian rupees has been rounded off to nearest million except unit and per unit data.

#### **b) Basis of measurement**

The Special Purpose Special Purpose Condensed Combined financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

The Special Purpose Condensed Combined financial statements have been prepared on a going concern basis.

#### **c) Use of judgments and estimates**

The preparation of Special Purpose Condensed Combined financial statements in conformity with generally accepted accounting principles in India (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.

## **Brookfield India REIT - Portfolio Companies Special Purpose Condensed Combined Financial Statements**

### **Notes to the special purpose condensed combined financial statements**

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Estimates 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 Special Purpose Condensed Combined 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 (Note 15)
- (ii) determination of useful life of investment property (Note 2.2 (f))
- (iii) determination of lease term (Note 2.2 (n))
- (iv) recognition / recoverability of deferred tax assets (Note 2.2 (p) and Note 6)

#### **d) Current versus non-current classification**

Brookfield India REIT- Portfolio companies presents assets and liabilities in the Special Purpose Condensed Combined Balance Sheet based on current/ non-current classification:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Brookfield India REIT- Portfolio companies classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in normal operating cycle of Brookfield India REIT- Portfolio companies;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Brookfield India REIT- Portfolio companies does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Brookfield India REIT- Portfolio companies classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/ liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **e) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Brookfield India REIT- Portfolio companies takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

## **Brookfield India REIT - Portfolio Companies Special Purpose Condensed Combined Financial Statements**

### **Notes to the special purpose condensed combined financial statements**

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Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurement framework is adopted by Brookfield India REIT- Portfolio companies to determine the fair value of various assets and liabilities measured or disclosed at fair value.

#### **f) Investment properties**

##### *Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, import duties and other non-refundable purchase taxes, borrowing costs directly attributable to the development and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

##### *Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT- Portfolio companies and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in Statement of profit and loss.

##### *Depreciation*

Investment property is depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**

**Notes to the special purpose condensed combined financial statements**

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The useful lives of the investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	4 – 15
Furniture and Fixtures	10 – 12
Electrical fittings	4 – 15
Diesel generator sets	15 – 25
Air conditioners	5 – 15
Office Equipment	5 – 12
Kitchen Equipment	5
Computers	3 – 6
Right of Use (Leasehold Land)	As per lease term

**g) Property, plant and equipment and intangible assets**

*Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT- Portfolio companies and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of a property, plant and equipment is recognized in Statement of profit and loss.

*Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**

**Notes to the special purpose condensed combined financial statements**

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The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

Estimated useful lives of items of property, plant and equipment are tabulated as follows: -

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	5 – 20
Furniture and Fixtures	5 – 14
Electrical fittings	10
Air conditioners	5 – 15
Office Equipment	4 – 15
Kitchen Equipment	5
Vehicle	8
Computers	3 – 14
Computer Software	5

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of 5 years, which represents the period over which the Brookfield India REIT- Portfolio companies expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

**h) Impairment of non-financial assets**

Brookfield India REIT- Portfolio companies assesses, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Brookfield India REIT- Portfolio companies estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the Special Purpose Condensed Combined Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the Special Purpose Condensed Combined Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.



## **Brookfield India REIT - Portfolio Companies Special Purpose Condensed Combined Financial Statements**

### **Notes to the special purpose condensed combined financial statements**

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An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **i) Foreign currency transactions**

Items included in the financial statements of the Brookfield India REIT- Portfolio companies are measured using the currency of the primary economic environment in which the Brookfield India REIT- Portfolio companies operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Brookfield India REIT- Portfolio companies functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the Statement of profit and loss.

#### **j) Business combinations - common control transactions**

Business combinations involving entities that are controlled by the ultimate holding company are accounted for using the pooling of interests method as follows:

- i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- ii) No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are made only to harmonize accounting policies.
- iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- iv) The difference, if any, between the purchase consideration in the form of cash/other assets and the amount of net assets of the transferor is transferred to deficit on amalgamation adjustment account. The amount of deficit on amalgamation adjustment account is adjusted to the extent of reserves available with the transferee Company.

#### **k) Errors, estimates and change in accounting policies**

The Brookfield India REIT- Portfolio companies revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**

**Notes to the special purpose condensed combined financial statements**

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users of the Special Purpose Condensed Combined financial statements. Changes in accounting policies are applied retrospectively, wherever applicable.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

**1) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Financial Assets - Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

**• Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

**• Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss is recognized in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

**Brookfield India REIT - Portfolio Companies**  
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• **Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Brookfield India REIT- Portfolio companies may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Brookfield India REIT- Portfolio companies has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

• **Equity instruments measured at fair value through other comprehensive income (FVOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Brookfield India REIT- Portfolio companies may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Brookfield India REIT- Portfolio companies makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Brookfield India REIT- Portfolio companies decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Brookfield India REIT- Portfolio companies may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

**(ii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Brookfield India REIT- Portfolio companies balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Brookfield India REIT- Portfolio companies has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Brookfield India REIT- Portfolio companies has transferred substantially all the risks and rewards of the asset, or (b) the Brookfield India REIT- Portfolio companies has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**(iii) Impairment of financial assets**

Brookfield India REIT- Portfolio companies recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade

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receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date, is recognized as an impairment gain or loss in the Statement of profit and loss.

Trade Receivables are generally written off against the allowance only after all means of collection have been exhausted and the potential for recovery is considered remote.

**(iv) Financial liabilities – Recognition and Subsequent measurement**

Brookfield India REIT- Portfolio companies financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

Brookfield India REIT- Portfolio companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

**• Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Brookfield India REIT- Portfolio companies that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Brookfield India REIT- Portfolio companies may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Brookfield India REIT- Portfolio companies has not designated any financial liability as at fair value through profit or loss.

**• Financial liabilities at amortized cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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**(v) Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

**(vi) Income/loss recognition**

**• Interest income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Brookfield India REIT- Portfolio companies estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**• Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The Brookfield India REIT- Portfolio companies considers practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

**(vii) Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

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**Compound financial instruments**

Compound financial instruments issued by the Brookfield India REIT – Portfolio Companies comprise compulsorily convertible debentures denominated in Indian Rupees that are to be converted to ordinary shares at the option of the holder and issuer, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at fair value calculated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the EIR method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in Statement of profit and loss. On conversion at maturity and early conversion, the financial liability, if any, is reclassified to equity and no gains or losses are recognized.

**m) Leases**

At inception of a contract, the Brookfield India REIT- Portfolio companies assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Brookfield India REIT- Portfolio companies assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Brookfield India REIT- Portfolio companies has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Brookfield India REIT- Portfolio companies has the right to direct the use of the asset. The Brookfield India REIT- Portfolio companies has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Brookfield India REIT- Portfolio companies has the right to direct the use of the asset if either:
  - the Brookfield India REIT- Portfolio companies has the right to operate the asset; or
  - the Brookfield India REIT- Portfolio companies designed the asset in a way that predetermines how and for what purpose it will be used.

**As a lessee**

The Brookfield India REIT- Portfolio companies recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the

## **Brookfield India REIT - Portfolio Companies**

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commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Brookfield India REIT- Portfolio companies's incremental borrowing rate. Generally, the Brookfield India REIT- Portfolio companies uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Brookfield India REIT- Portfolio companies is reasonably certain to exercise, lease payments in an optional renewal period if the Brookfield India REIT- Portfolio companies is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Brookfield India REIT- Portfolio companies is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Brookfield India REIT- Portfolio companies's estimate of the amount expected to be payable under a residual value guarantee, or if the Brookfield India REIT- Portfolio companies changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Brookfield India REIT- Portfolio companies presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities (current and non-current) in the statement of financial position.

The Brookfield India REIT- Portfolio companies has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Brookfield India REIT- Portfolio companies recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **As a Lessor**

The Brookfield India REIT- Portfolio companies enters into lease agreements as a lessor with respect to its investment properties.

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Leases for which the Brookfield India REIT- Portfolio companies is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Brookfield India REIT- Portfolio companies is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Brookfield India REIT- Portfolio companies's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Brookfield India REIT- Portfolio companies's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Brookfield India REIT- Portfolio companies applies Ind AS 115 to allocate the consideration under the contract to each component.

**n) Revenue recognition**

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and Services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

*i. Income from Operating Lease Rentals*

Assets given under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, management considers all facts and circumstances including renewal, termination and market conditions.

Income from Operating Lease Rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

*ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when the entity has satisfied its performance obligation by delivering services as per terms of contract entered into with tenants.



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**o) Employee benefits**

Employee benefits include provident fund, gratuity and compensated absences.

*Provident fund*

The Brookfield India REIT- Portfolio companies 's contribution to provident fund is considered as defined contribution plans and is charged as an expense in statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

*Gratuity*

Brookfield India REIT- Portfolio companies has an obligation towards gratuity, a defined post-employment benefits plan covering eligible employees. The present value of the defined benefit liability and the related current service cost and past service cost are measured using projected unit credit method; with actuarial valuations being carried out at each balance sheet date. Remeasurements comprising actuarial gains and losses are recognized immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Brookfield India REIT- Portfolio companies recognizes related restructuring costs or termination benefits, whichever is earlier.

*Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

*Other Long-term employee benefits*

The employees of the Brookfield India REIT- Portfolio companies are entitled to other long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

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**p) Taxation**

Income tax expense comprises current and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

(i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Special Purpose Condensed Combined Statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Brookfield India REIT- Portfolio companies will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Brookfield India REIT- Portfolio companies is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, Brookfield India REIT- Portfolio companies recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets—unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

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Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Brookfield India REIT- Portfolio companies expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**q) Provisions and contingencies**

A provision is recognized when the Brookfield India REIT- Portfolio companies has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Brookfield India REIT- Portfolio companies or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Brookfield India REIT- Portfolio companies does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**r) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

***Identification of segments:***

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and assess their performance. An operating segment is a component of the Brookfield India REIT- Portfolio companies that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Brookfield India REIT- Portfolio companies's other components.

Based on an analysis of Brookfield India REIT's structure and powers conferred to the Manager to Brookfield India REIT, the Governing Board of the Manager (Brookprop Management Services Private Limited) has been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

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As the Brookfield India REIT- Portfolio companies are primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 “Operating Segments” in respect of reportable segments are not applicable.

**s) Subsequent events**

The Special Purpose Condensed Combined financial statements are prepared after reflecting adjusting and non-adjusting events that occur after the reporting period but before the Special Purpose Condensed Combined financial statements are authorized for issue.

**t) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**u) Earnings per unit**

Basic earnings per unit are calculated by dividing the net profit / (loss) for the period attributable to unit holders of the Brookfield India REIT- Portfolio companies by the weighted average number of units outstanding during the period.

For the purpose of calculating diluted earnings per unit, the profit or loss for the period attributable to unit holders of the Brookfield India REIT- Portfolio companies and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Dilutive potential units are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per unit, only potential equity units that are dilutive and which either reduces earnings per unit or increase loss per units are included.

**v) Special Purpose Condensed Combined Statement of Cash flows**

Special Purpose Condensed Combined Cash flows are reported using the indirect method, whereby Profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Brookfield India REIT – Portfolio Companies are segregated. For the purpose of the Special Purpose Condensed Combined Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits.

**w) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Special Purpose Condensed Combined Balance Sheet when, and only when, the Brookfield India REIT – Portfolio Companies currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**x) Recent accounting pronouncements**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023:

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Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Brookfield India REIT does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Brookfield India REIT does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. Brookfield India REIT does not expect this amendment to have any significant impact in its financial statements.

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3 Property, plant and equipment and Intangible assets

Particulars	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2020	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 1 April 2020	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021
<b>Assets (site)</b>									
Air conditioner	0.76	-	(0.15)	0.61	0.76	0.02	(0.16)	0.62	(0.01)
Building	0.03	-	-	0.03	0.02	0.00	-	0.02	0.01
Computers	0.69	-	(0.55)	0.14	0.66	-	(0.54)	0.12	0.02
Plant and machinery	0.02	-	-	0.02	0.02	0.00	-	0.02	-
Furniture and fixtures	9.45	-	(0.71)	8.74	8.56	0.43	(0.72)	8.27	0.47
Office equipment	3.82	-	(0.03)	3.79	3.52	0.25	(0.00)	3.77	0.02
Vehicle	0.12	-	-	0.12	0.10	0.02	-	0.12	-
<b>Sub total</b>	<b>14.89</b>	<b>-</b>	<b>(1.44)</b>	<b>13.45</b>	<b>13.64</b>	<b>0.72</b>	<b>(1.42)</b>	<b>12.94</b>	<b>0.51</b>
<b>Assets (maintenance)</b>									
Air conditioner	1.18	0.44	-	1.62	0.66	0.42	(0.48)	0.60	1.02
Computers	2.04	1.14	(0.27)	2.91	1.41	0.48	(0.27)	1.62	1.29
Plant and machinery	92.74	27.66	(0.72)	119.68	22.62	10.03	(0.57)	32.08	87.60
Furniture and fixtures	36.99	4.54	(0.27)	41.26	8.89	5.16	(0.26)	13.79	27.47
Office equipment	15.13	2.31	(2.67)	14.77	11.37	1.66	(2.07)	10.96	3.81
Electrical fittings	0.74	0.10	-	0.84	0.02	0.09	-	0.11	0.73
<b>Sub total</b>	<b>148.82</b>	<b>36.19</b>	<b>(3.93)</b>	<b>181.08</b>	<b>44.97</b>	<b>17.84</b>	<b>(3.65)</b>	<b>59.16</b>	<b>121.92</b>
<b>TOTAL</b>	<b>163.71</b>	<b>36.19</b>	<b>(5.37)</b>	<b>194.53</b>	<b>58.61</b>	<b>18.56</b>	<b>(5.07)</b>	<b>72.10</b>	<b>122.43</b>
<b>Intangible Assets</b>									
Softwares	1.78	-	-	1.78	0.94	0.42	-	1.36	0.42
<b>GRAND TOTAL</b>	<b>165.49</b>	<b>36.19</b>	<b>(5.37)</b>	<b>196.31</b>	<b>59.55</b>	<b>18.98</b>	<b>(5.07)</b>	<b>73.46</b>	<b>122.85</b>

Reconciliation for total depreciation expense:

Total depreciation on property, plant and equipment and intangible assets for the year	18.98
Less:- Depreciation during the construction period on site assets - capitalized	(0.72)
<b>Depreciation and amortization expense</b>	<b>18.26</b>

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4 Investment property

Particulars	Gross block				Accumulated depreciation				Net block
	As at 1 April 2020	Additions during the year	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2021
<b>Assets (constructed), given/expected to be given on operating lease</b>									
Freehold land	7,407.07	61.70	-	7,468.77	-	-	-	-	7,468.77
Buildings	34,159.20	533.57	(1.24)	34,691.53	1,698.82	654.67	-	2,353.49	32,338.04
Air conditioners	1,779.78	19.17	-	1,798.95	492.85	141.73	(0.02)	634.56	1,164.39
Electrical fittings & equipment	1,397.72	14.14	(9.88)	1,401.98	486.26	142.34	(9.83)	618.77	783.21
Plant and machinery	1,555.11	43.54	(0.18)	1,598.47	386.74	166.82	(0.11)	553.45	1,045.02
Diesel generator sets	650.05	0.92	-	650.97	184.22	19.24	(0.02)	203.44	447.53
Furniture and fixtures	496.55	7.04	(0.24)	503.35	193.39	67.16	(0.22)	260.33	243.02
Right of use (leasehold land)	477.33	-	-	477.33	12.15	6.09	-	18.24	459.09
Office Equipment	30.16	0.46	-	30.62	10.61	5.33	-	15.94	14.68
Computers	1.90	0.26	-	2.16	0.55	0.34	-	0.89	1.27
<b>Sub total</b>	<b>47,954.87</b>	<b>680.80</b>	<b>(11.54)</b>	<b>48,624.13</b>	<b>3,465.59</b>	<b>1,203.72</b>	<b>(10.20)</b>	<b>4,659.11</b>	<b>43,965.02</b>
<b>Assets (food court), given/expected to be given on operating lease</b>									
Air conditioner	10.28	-	-	10.28	3.70	0.74	-	4.44	5.84
Furniture & fixtures	70.63	-	(2.33)	68.30	39.59	7.78	(1.50)	45.87	22.43
Plant and machinery	7.92	-	-	7.92	2.85	0.55	-	3.40	4.52
Office equipment	4.53	-	-	4.53	1.85	0.56	(0.01)	2.40	2.13
Kitchen equipment	6.08	-	-	6.08	2.47	1.22	-	3.69	2.39
Computers	4.48	-	-	4.48	4.48	0.00	-	4.48	0.00
<b>Sub total</b>	<b>103.92</b>	<b>-</b>	<b>(2.33)</b>	<b>101.59</b>	<b>54.94</b>	<b>10.85</b>	<b>(1.51)</b>	<b>64.28</b>	<b>37.31</b>
<b>Sub total - Investment Property</b>	<b>48,058.79</b>	<b>680.80</b>	<b>(13.87)</b>	<b>48,725.72</b>	<b>3,520.53</b>	<b>1,214.57</b>	<b>(11.71)</b>	<b>4,723.39</b>	<b>44,002.33</b>
<b>Investment property - under development*</b>									
Capital work in progress	520.55	853.51	(582.32)	791.74	-	-	-	-	791.74
<b>Sub total - Investment Property under development</b>	<b>520.55</b>	<b>853.51</b>	<b>(582.32)</b>	<b>791.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>791.74</b>
<b>Total</b>	<b>48,579.34</b>	<b>1,534.31</b>	<b>(596.19)</b>	<b>49,517.46</b>	<b>3,520.53</b>	<b>1,214.57</b>	<b>(11.71)</b>	<b>4,723.39</b>	<b>44,794.07</b>

\*The amount of Rs. 582.32 million shown under "Deletions/ Adjustments" represents capitalization during the year.

Reconciliation for total depreciation expense:

Total depreciation on investment property for the year	1,214.57
Less:- Depreciation during the construction period on Right of use (leasehold land)	(3.29)
<b>Depreciation expense</b>	<b>1,211.28</b>

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**As at  
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<b>5 Non current financial assets - Other</b>	
(Unsecured and considered good)	
Security deposits	517.38
Fixed deposits with banks*	257.53
Interest accrued but not due on fixed deposits with banks	1.50
Lease rent equalization**	445.86
	<b>1,222.27</b>

\* These fixed deposits were of restricted use being lien against debt service reserve account, bank guarantees given to various authorities and security for sales tax registration.

\*\*Lease rent equalization are classified as Financial assets as right to consideration is unconditional and is due only after passage of time.

**As at  
31 March 2021**

<b>6 Deferred tax asset (net)</b>	
Deferred tax asset (net)	5.30
	<b>5.30</b>

**As at  
31 March 2021**

<b>7 Non-current tax assets (net)</b>	
Advance income tax	1,527.81
	<b>1,527.81</b>

**As at  
31 March 2021**

<b>8 Other non-current assets</b>	
(Unsecured and considered good)	
Capital advances	21.14
Prepaid expenses	5.96
Balance recoverable from government authorities	10.94
	<b>38.04</b>

**As at  
31 March 2021**

<b>9 Current financial assets - Trade receivables</b>	
Trade receivables considered good - unsecured	241.35
Trade receivables - credit impaired	49.10
Less: loss allowance	(49.10)
	<b>241.35</b>

**As at  
31 March 2021**

<b>10 Current financial assets - Cash and cash equivalents</b>	
Balance with banks :	
- in current account	1,132.32
- in deposit account (with original maturity of 3 months or less)	590.00
- in escrow account*	1,432.87
	<b>3,155.19</b>

\* Represents the balance of Rs. 1,432.87 million from proceeds of initial public offer of Brookfield India REIT Units (Total proceeds Rs. 38,000.00 million). These amounts were held in the escrow account and were withdrawn for partial or full pre-payment or scheduled repayment of the existing indebtedness of subsidiaries, general purposes and issue expenses (as specified in the Brookfield India REIT's final offer document).



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11 **Other bank balances**

Deposit account with original maturity of more than 3 months and upto 12 months*	150.65
	<u>150.65</u>

\* These fixed deposits includes Rs. 60.64 million as at 31 March 2021 which are of restricted use being lien against debt service reserve account, bank guarantees given to various authorities and given as security for sales tax registration.

As at  
31 March 2021

12 **Current financial assets - Loans**

<b>To parties other than related parties</b> (Unsecured and considered doubtful)	
Advances to vendors	0.36
Less: loss allowance	(0.36)
	<u>-</u>
Loans receivables - credit impaired	0.36
Less: loss allowance	(0.36)
	<u>-</u>

As at  
31 March 2021

13 **Current financial assets - Other**

(Unsecured and considered good)	
<b>To parties other than related parties</b>	
Security deposits	0.01
Unbilled revenue*	79.63
Interest accrued but not due on fixed deposits with banks	1.94
Lease rent equalization*	303.30
Other receivables	77.93
<b>To related parties (refer note 43)</b>	
Other receivables	1.99
	<u>464.80</u>

\*Classified as financial assets as right to consideration is unconditional and is due only after passage of time.

As at  
31 March 2021

14 **Other current assets**

(Unsecured and considered good)	
Advances to vendors*	31.36
Prepaid expenses	32.02
Balance with Government authorities	93.93
	<u>157.31</u>

\* For related parties balance, refer note 43

15 **Unit Capital**

Particulars	No. of Units	Amount
<b>As at 01 April 2020</b>	-	-
Units issued during the period		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	138,181,800	38,000.00
- in exchange for equity interest in subsidiaries (refer note iii below)	127,892,403	35,170.41
- in exchange for 12% Compulsorily Convertible Debenture in Candor Kolkata	36,727,398	10,100.03
Less: Issue expenses (refer note iv below)	-	(1,495.66)
<b>Closing balance as at 31 March 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>

**a) Terms/ rights attached to Units and accounting thereof**

(i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Investment Manager approves distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions in Indian Rupees.

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Under the provisions of the REIT Regulations, Brookfield India REIT is required to distribute to Unitholders not less than 90% of the Net Distributable Cash Flows of Brookfield India REIT for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Brookfield India REIT to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unit Capital has been presented as "Equity" in order to comply with the requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

(ii) Initial Public Offering of 138,181,800 Units for cash at price of Rs. 275 per Unit aggregating to Rs. 38,000.00 million.

(iii) Brookfield India REIT acquired the subsidiaries by acquiring all the equity interest held by our Sponsor and certain members of our Sponsor Group. The acquisition of equity interest in the subsidiaries has been done by issue of 127,892,403 Units of Rs. 275 each during the period ended 31 March 2021 as per the table below.

Name of subsidiaries	Number of Units allotted for acquiring all the equity interest held in the subsidiaries		
	Sponsor	Sponsor Group (excluding Sponsor)	Total
Candor Kolkata	54,117,888	16,364	54,134,252
Festus	-	31,474,412	31,474,412
SPPL Noida	-	41,483,012	41,483,012
CIOF	-	800,727	800,727
<b>Total number of Units issued</b>	<b>54,117,888</b>	<b>73,774,515</b>	<b>127,892,403</b>

(iv) Expenses incurred pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange India Limited and BSE Limited have been reduced from the Unitholders capital in accordance with Ind AS 32 - Financial Instruments: Presentation.

**(b) Unitholders holding more than 5 percent Units in the Trust**

Name of Unitholders	As at 31 March 2021	
	No. of Units	% of holdings
BSREP India office Holdings V Pte. Ltd.	54,117,888	17.87%
BSREP India Office Holdings Pte Ltd.	41,499,373	13.71%
BSREP India Office Holdings III Pte. Ltd.	36,727,398	12.13%
BSREP II India Office Holdings II Pte. Ltd.	28,086,775	9.28%

The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of registration till the balance sheet date. Further, the Trust has not issued any units for consideration other than cash from the date of registration till the balance sheet date, except as disclosed above.

**(c) Unitholding of sponsor group**

Name of Unitholders	As at 31 March 2021	
	No. of Units	% of holdings
BSREP India office Holdings V Pte. Ltd.	54,117,888	17.87%
BSREP India Office Holdings Pte Ltd.	41,499,373	13.71%
BSREP India Office Holdings III Pte. Ltd.	36,727,398	12.13%
BSREP II India Office Holdings II Pte. Ltd.	28,086,775	9.28%
Kairos Property Managers Private Limited	3,387,637	1.12%
BSREP Moon C1 L.P.	800,650	0.26%
BSREP Moon C2 L.P.	80	0.00%

**16 Other Equity**

	As at 31 March 2021
Combination adjustments account	(59,117.84)
Retained earning	374.45
	<b>(58,743.39)</b>

**17 Non-current financial liabilities - Borrowings**

	As at 31 March 2021
<b>Secured</b>	
Term loan from financial institutions	21,015.17
<b>Total Borrowings</b>	<b>21,015.17</b>

**Brookfield India REIT - Portfolio Companies**  
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	<b>As at 31 March 2021</b>
<b>18 Non-current financial liabilities - others</b>	
Security deposit from lessee	1,232.41
Retention money	19.20
	<u><b>1,251.61</b></u>
	<b>As at 31 March 2021</b>
<b>19 Long-term provisions</b>	
Provision for gratuity	10.86
	<u><b>10.86</b></u>
	<b>As at 31 March 2021</b>
<b>20 Deferred tax liabilities (net)</b>	
Deferred tax liabilities (net)	1,001.87
	<u><b>1,001.87</b></u>
	<b>As at 31 March 2021</b>
<b>21 Other non-current liabilities</b>	
Deferred income	268.77
Contract liability*	67.80
	<u><b>336.57</b></u>
<p>*Candor Kolkata One Hi-Tech Structures Private Limited entered into a Joint Development Agreement with Gurgaon Infospace Limited (GIL) by which GIL will pay Rs. 1,000 million in various tranches commencing January 2021 to October 2023 for the development/construction of building used for commercial and retail purposes on certain land parcels, the title of which is held by Candor Kolkata One Hi-Tech Structures Private Limited. Under the said agreement, Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%. The amount received as at 31 March 2021 of Rs. 80.00 million including Goods and Service Tax has been presented as contract liability excluding Goods and Service Tax.</p>	
	<b>As at 31 March 2021</b>
<b>22 Current financial liabilities - Trade payables</b>	
Total outstanding dues of micro enterprises and small enterprises	7.83
Total outstanding dues of creditors other than micro enterprises and small enterprises*	437.67
	<u><b>445.50</b></u>
<p>*For related parties balance, refer note 43</p>	
	<b>As at 31 March 2021</b>
<b>23 Current - Other financial liabilities</b>	
Security deposit from lessee	2,491.71
Retention money	136.30
Capital creditors	293.37
Employee related payables	11.51
Other payables*	1,295.10
	<u><b>4,227.99</b></u>
<p>*For related parties balance, refer note 43</p>	

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	As at 31 March 2021
<b>24 Short term provisions</b>	
Provision for gratuity	0.08
Provision for compensated absences	4.41
	<u>4.49</u>
	As at 31 March 2021
<b>25 Other current liabilities</b>	
Statutory dues payable	177.66
Deferred income	151.03
Other payables	7.57
	<u>336.26</u>
	As at 31 March 2021
<b>26 Current tax liabilities (Net)</b>	
Provision for income tax	120.39
	<u>120.39</u>

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
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Particulars	For the year ended 31 March 2021
<b>27 Revenue from operations</b>	
<b>Sale of services</b>	
Income from operating lease rentals *	6,099.92
Income from maintenance services	2,415.03
Property management fees	95.91
	<b>8,610.86</b>
<b>Sale of products</b>	
Sale of food and beverages	15.47
Others	1.68
<b>Total revenue from operations</b>	<b>8,628.01</b>
* Assets given on operating lease	
<b>28 Other Income</b>	
<b>Interest income from financial assets at amortized cost</b>	
Interest income on fixed deposits with banks	58.09
Interest income on security deposit	17.59
<b>Others</b>	
Income from scrap sale	5.21
Interest on income tax refund	53.59
Liabilities/provisions no longer required written back	19.10
Miscellaneous income	7.94
	<b>161.52</b>
<b>29 Cost of materials consumed</b>	
Opening stock	-
Add: purchases during the year	11.69
Add: Others	1.19
Less: Closing stock	-
	<b>12.88</b>
<b>30 Employee benefits expense</b>	
Salaries, wages and bonus	200.56
Contributions to provident fund	11.60
Gratuity expense	4.68
Compensated absences	2.43
	<b>219.27</b>

**Brookfield India REIT - Portfolio Companies**  
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Particulars	For the year ended 31 March 2021
<b>31 Finance Costs</b>	
<b>Interest and finance charges on financial liabilities at amortized cost</b>	
Interest on term loan	4,187.32
Interest expenses on inter corporate deposits	50.62
Interest on non-convertible bonds	250.72
Interest on compulsorily convertible debentures	141.40
Interest on liability component of compound financial instrument	358.50
Interest on lease liability	11.02
<b>Others</b>	
Other borrowing costs	571.40
	<b>5,570.98</b>
Less: Transferred to investment property under development	(39.80)
	<b>5,531.18</b>
<b>32 Depreciation and amortization expenses</b>	
- on property plant and equipment and intangible assets	18.26
- on investment property	1,211.28
	<b>1,229.54</b>
<b>33 Other expenses</b>	
Property management fees	387.39
Power and fuel	729.63
Repair and maintenance	668.34
Insurance	32.25
Legal and professional expense	183.34
Audit fees *	24.21
Rates and taxes	144.75
Brokerage	2.23
Facility usage fees	37.45
Lease rent	7.53
Credit Impaired	26.90
Property, plant and equipment written off	1.12
Loss on Sale of Fixed Assets	0.07
Allowance for credit loss	37.78
Corporate social responsibility expenses	15.71
Loss on derivative relating to share conversion feature in 12% CCD at fair value through profit or loss**	1,108.50
Miscellaneous expenses	104.47
	<b>3,511.67</b>
* Includes remuneration paid to the auditors of the individual subsidiaries.	
** These 12% CCD were owned by BSREP India Office III up till 7 February 2021. On 8 February 2021, these were acquired by Brookfield India REIT (Refer Note 1).	
<b>34 Tax expense</b>	
Current tax	
-for current year	24.77
-for earlier years	18.89
Deferred tax charge	219.29
	<b>262.95</b>

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**35 Contingent liabilities**

<b>Particulars</b>	<b>As at 31 March 2021</b>
Claims against the subsidiaries not acknowledged as debt in respect of Income-Tax matters (Refer note 1 below)	776.80
Claims against the subsidiaries not acknowledged as debt in respect of Indirect tax {VAT/Work contract/Entry tax} (Refer note 2 below)	2.67
<b>Grand Total</b>	<b>779.47</b>

<b>Note 1</b>	<b>As at 31 March 2021</b>
Candor Kolkata One Hi-Tech Structures Private Limited	762.54
Shantiniketan Properties Private Limited	14.26
<b>Total</b>	<b>776.80</b>

Contingent liabilities as at 31 March 2021 includes penalty amounting to Rs. 485.38 million in relation to disallowance of settlement fees paid in earlier years for termination of contract. Other contingencies includes Rs. 291.42 million relating to other disallowances under the Income Tax Act, 1961.

The tax officer has set-off certain tax refund claimed in Income tax returns against these demands.

<b>Note 2</b>	<b>As at 31 March 2021</b>
Shantiniketan Properties Private Limited *	2.67
<b>Total</b>	<b>2.67</b>

\* The Company has given a bank guarantee of Rs. 1.00 million to Member Secretary UP Pollution Control Board.

**Brookfield India REIT - Portfolio Companies**  
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**36 Commitments**

<b>Particulars</b>	<b>As at 31 March 2021</b>
Capital commitments (net of advances)	327.47

**The subsidiaries wise details of capital commitments are as follows:**

Candor Kolkata One Hi-Tech Structures Private Limited	59.19
Shantiniketan Properties Private Limited	268.28
	<u>327.47</u>

**Other commitments**

Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as "Candor Gurgaon Two Developers & Projects Private Limited"; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. 01 April 2017, refer note 44) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the property pursuant to a Joint Development Agreement (JDA) with GIL entered on 16 November 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.

In supplement to earlier JDA, a new co-development agreement was entered into between GIL (the developer) and Candor Kolkata One Hi-Tech Structures Private Limited (the co-developer) on 17 September 2007 as amended from time to time under which the developer and co-developer will jointly carry out the process of installation of fit-outs & fixtures and the cost of such installation shall be shared by the developer and co-developer in the same ratio as to sharing of gross proceeds i.e. 28% and 72% respectively. This agreement is accounted as joint operations as per Ind AS 111.



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**37 Financial instruments – Fair values and risk management**  
**i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. The Brookfield India REIT - Portfolio Companies has classified its financial instruments, which are measured at fair value, into three levels in accordance with Ind AS.

	<b>Carrying value</b>	<b>Fair value</b>
	<b>As at 31 March 2021</b>	<b>As at 31 March 2021</b>
<i>At Amortized Cost</i>		
<b>Financial assets</b>		
Trade receivables #	241.35	241.35
Cash and cash equivalents #	3,155.19	3,155.19
Other bank balances #	150.65	150.65
Other financial assets #	1,687.07	1,687.07
<b>Total financial assets</b>	<b>5,234.26</b>	<b>5,234.26</b>
<i>At Amortized Cost</i>		
<b>Financial liabilities</b>		
Other borrowings #	21,015.17	21,015.17
Trade payables #	445.50	445.50
Other financial liabilities #	5,479.61	5,479.61
<b>Total financial liabilities</b>	<b>26,940.28</b>	<b>26,940.28</b>

# fair value of financial assets and financial liabilities which are recognized at amortized cost has been disclosed to be same as carrying value as the carrying value approximately equals to their fair value.

**ii) Measurement of fair values**

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuation under Level 1 and Level 2. There has been no transfers into or out of Level 3 of the fair value hierarchy for the year ended 31 March 2021.

The Brookfield India REIT - Portfolio Companies policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
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**38 Segment reporting**

a) Ind AS 108 establishes requirements to identify the operating segment and related disclosures, basis how the Chief Operating Decision Maker ('CODM') evaluates the performance and allocates resources to different segments. Based on an analysis of Brookfield India REIT structure and powers conferred to the Manager to Brookfield India REIT, the Board of Directors of the Manager has been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Brookfield India REIT - Portfolio Companies is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

b) Customer A represented 17.8%, Customer B represented 15.5% and Customer C represented 10.8% of revenues for the year ended 31 March 2021.

**Additional financial disclosures as required under para 4 of SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016**

**39 Statement of Property wise rental/Operating income**

S.No	Entity and Property name	Property Address	Location	Nature of Income	For the year ended 31 March 2021
1	Candor Kolkata One Hi-Tech Structures Private Limited	Candor TechSpace IT/ITES SEZ, Dundahera, Sector-21 Gurgaon, Haryana-122016	Gurgaon	Rental income and other operating income	3,657.26
2	Candor Kolkata One Hi-Tech Structures Private Limited	IT/ITES SEZ, Candor TechSpace, Action Area- 1 D, New Town, Rajarhat, Kolkata-700156	Kolkata	Rental income and other operating income	2,091.71
3	Shantiniketan Properties Private Limited	IT/ITES Park, Candor TechSpace, Institutional Plot No B/2 - 62, Sector 62 , NOIDA, Uttar Pradesh- 201309	Noida	Rental income and other operating income	1,191.48
4	Festus Properties Private Limited	Kensington A and B, IT / ITES, Kensington SEZ Building, Hiranandani Business Park, Powai Mumbai, Mumbai City, Maharashtra-400076	Mumbai	Rental income and other operating income	1,591.65
5	Candor India Office Parks Private Limited	F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai-400067	Mumbai	Property management fees	95.91
<b>Total</b>					<b>8,628.01</b>

**40 Earnings Per Unit (EPU)**

The Units of the Trust were allotted on 08 February 2021 and 11 February 2021. However the profits/(loss) in the Condensed Combined Statement of Profit and Loss is for the full year and hence the earnings per Unit has not been presented for the year ended 31 March 2021 as it will not depict an accurate picture of the performance of the Group.

**41 Uncertainty relating to the global health pandemic on COVID-19:**

The COVID-19 pandemic has continued to cause disruption to business activities and adversely impacted local, regional, national and international economic conditions. Brookfield India REIT - Portfolio Companies has considered possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts 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 - Portfolio Companies, as at the date of approval of these Special Purpose Condensed Combined Financial Statements, has used internal and external sources of information including economic forecast and other information from market sources on the expected future performance of Brookfield India REIT - Portfolio Companies. Based on this analysis, Brookfield India REIT - Portfolio Companies has concluded that there is no impairment to the carrying amount of investment property as on the reporting date.

The impact of COVID-19 on Brookfield India REIT - Portfolio Companies Special Purpose Condensed Combined Financial Statements may differ from that estimated as at the date of approval of these Special Purpose Condensed Combined Financial Statements.

**Brookfield India REIT - Portfolio Companies**  
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**42 History of Interest and Principal payments**

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>
<b>Monthly payment</b>	
-April	560.27
-May	21,460.19
-June	393.93
-July	2,223.29
-August	1,439.02
-September	434.15
-October	427.60
-November	435.21
-December	428.52
-January	512.40
-February	57,152.65
-March	128.62
<b>Total</b>	<b>85,595.85</b>

**Debt Payment History**

<b>Carrying amount of debt at the beginning of the year</b>	<b>69,520.66</b>
Additional borrowing during the year*	44,525.42
Finance cost (refer note below)	6,205.83
Repayments during the year (refer note "a" below)	(85,595.85)
Conversion of Compound financial instrument	(2,486.74)
12% Compulsorily Convertible Debentures (CCD) eliminated on acquisition of CCD by Trust (refer note "b" below)	(10,100.00)
Other adjustments/settlement (refer note "c" below)	(1,054.15)
<b>Carrying amount of debt at the end of the year</b>	<b>21,015.17</b>
<b>As represented by :</b>	
Long term borrowings	21,015.17
<b>Total</b>	<b>21,015.17</b>

There are no defaults in respect of principal or interest subsisting as at the Balance sheet dates.- Refer note "a".

\* These amounts are after adjusting processing fees paid.

Notes:

a) Repayments during the year represents a line-by-line addition of monthly EMI payments/repayment of borrowings made by the subsidiaries to bank and financial Institutions and also include payment made to related parties.

b) This represent elimination of 12% Compulsorily Convertible Debentures (CCD) acquired by Brookfield India REIT on 08 February 2021.

c) Other adjustments include tax deducted at source on interest payable on inter corporate borrowings, non convertible bonds, compound instruments and hybrid financial instruments.

**Brookfield India REIT - Portfolio Companies**  
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 (All amounts are in Rupees millions unless otherwise stated)  
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**43 Related parties and nature of the related party relationship where control exists.**

**I. List of related parties as per the requirements of REIT regulations till 07 February 2021 (refer notes below)**

**A. Parties to Brookfield India REIT**

BSREP India Office Holdings V Pte Ltd- Sponsor  
 Brookprop Management Services Private Limited - Manager  
 Axis Trustee Services Limited—Trustee

**B. List of related parties as per the requirements of Ind AS 24- Related Party Disclosures**

The list of related parties and their transactions given in these Special Purpose Condensed Combined Financial Statements are a line-by-line combination of all the subsidiaries in the Brookfield India REIT - Portfolio Companies subject to elimination for transactions and balances between the subsidiaries and / or Brookfield India REIT.

**(i) Names of related parties and description of relationship**

<u>Company name</u>	<u>Ultimate Holding Company</u>	<u>Holding Company</u>	<u>Fellow subsidiaries</u>	<u>KMP with whom transactions have taken place</u>
<b>Candor Kolkata One Hi-Tech Structures Private Limited</b>	Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.)	BSREP India Office Holdings V Pte. Ltd.	Seaview Developers Private Limited Candor Gurgaon One Realty Projects Private Limited BSREP India Office Holdings III Pte. Ltd.	Mr. Subrata Ghosh (Managing Director w.e.f 14 February 2019) Ms. Deepika Yadav (Women Director w.e.f 14 February 2019 Upto 1 August 2019) Mr. Akarsh Agarwal (Chief Financial Officer w.e.f 1 February 2019 Upto 26 September 2020) Ms. Neha Rohilla (Company Secretary w.e.f 19 September 2018 Upto 8 February 2019. Mr. Neeraj Kapoor (Company Secretary w.e.f 2 May 2019)
<b>Shantiniketan Properties Private Limited</b>	Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.)	BSREP India Office Holdings Pte. Ltd.	Candor Gurgaon One Realty Projects Private Limited	
<b>Candor India Office Parks Private Limited</b>	Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.)	BSREP Moon C 1 L.P.	Candor Gurgaon One Realty Projects Private Limited Seaview Developers Private Limited Kairos Property Managers Private Limited Technology Service Group LLC Brookprop Management Services Private Limited Mountainstar India Office Parks Private Limited	
<b>Festus Properties Private Limited</b>	Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.) (w.e.f. 27 May 2019)	(Formerly Kairos Property Managers Private Limited (w.e.f. 27 May 2019) BSREP II India Office Holdings II Pte. Ltd. BSREP II India Office Holdings III Pte. Ltd. (intermediate holding company) (w.e.f. 27 May 2019)	Vrihis Properties Private Limited.(till 7 December 2017, w.e.f. 27 May 2019 )	

**Brookfield India REIT - Portfolio Companies**  
**Special Purpose Condensed Combined Financial Statements**  
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**Notes to the special purpose condensed combined financial statements**

**II. Related parties to Brookfield India REIT from 8 February 2021 and as at 31 March 2021**

BSREP India Office Holdings V Pte Ltd- Sponsor  
Brookprop Management Services Private Limited - Investment Manager  
Axis Trustee Services Limited—Trustee

**The Ultimate parent entity and sponsor groups, with whom the group has related party transactions during the period, consist of the below entities:**

- a) BSREP India Office Holdings V Pte Ltd- Sponsor
- b) BSREP II India Office Holdings II Pte. Ltd. (BSREP II India)
- c) Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.) (BAM) , ultimate parent entity and controlling party
- d) Kairos Property Managers Private Limited (Kairos)
- e) BSREP Moon C1 L.P
- f) BSREP Moon C2 L.P
- g) BSREP India Office Holdings III Pte Ltd. (BSREP India Office III)
- h) BSREP India Office Holdings Pte. Ltd. (BSREP India Holdings)
- i) BSREP India Office Holding IV Pte. Ltd. (BSREP India Office IV)

Brookfield India REIT's interests in subsidiaries are set out in note 1- "Organization structure".

**Directors & Key personnel of Brookprop Management Services Private Limited, in the capacity of Investment Manager of Brookfield India Real Estate Trust.**

**Directors**

Akila Krishnakumar (Independent Director)  
Shailesh Vishnubhai Haribhakti (Independent Director)  
Anuj Ranjan (Non-Executive Director)  
Ankur Gupta (Non-Executive Director)

**Key personnel**

Alok Aggarwal - Managing director and chief executive officer – India office business  
Sanjeev Kumar Sharma - Executive vice president and chief financial officer – India office business

**Key management personnel of subsidiaries's**

- **Candor Kolkata One Hi-Tech Structures Private Limited**  
Subrata Ghosh (Managing Director)  
Neeraj Kapoor (Company Secretary w.e.f 2 May 2019)  
- **Festus Properties Private Limited**  
Lalit Kumar (Company Secretary)

**Brookfield India REIT - Portfolio Companies**  
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**III. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2021
<b>Sale of services-Property management fee (excluding GST)</b>	
Candor Gurgaon One Realty Projects Private Limited	47.69
Seaview Developers Private Limited	48.22
<b>Interest on liability component of compound financial instrument</b>	
BSREP India Office Holdings V Pte. Ltd.	6.51
BSREP India Office Holdings Pte. Ltd.	99.66
BSREP II India Office Holdings II Pte. Ltd.	252.33
<b>Interest expense on Compulsorily convertible debentures</b>	
BSREP India Office Holdings III Pte. Ltd.	141.40
<b>Conversion of Equity component of compound financial instrument issued into Equity shares</b>	
BSREP II India Office Holdings II Pte. Ltd.	2,367.12
<b>Conversion to Equity Shares/Payment of liability component of compound financial instrument</b>	
BSREP India Office Holdings V Pte. Ltd.	47.77
BSREP India Office Holdings Pte. Ltd.	864.67
BSREP II India Office Holdings II Pte. Ltd.	1,232.88
<b>12% Unsecured Non convertible debentures issued</b>	
BSREP II India Office Holdings III Pte. Ltd.	256.00
<b>Interest on 12% Unsecured Non convertible debentures</b>	
BSREP II India Office Holdings III Pte. Ltd.	12.29
<b>12% Unsecured Non convertible debentures repaid</b>	
BSREP II India Office Holdings III Pte. Ltd.	256.00
<b>Dividend paid</b>	
BSREP India Office Holdings V Pte. Ltd.	1,521.92
BSREP Moon C 1 L.P.	329.97
<b>Reimbursement of expense incurred on behalf of</b>	
Candor Gurgaon One Realty Projects Private Limited	0.97
Seaview Developers Private Limited	0.92
Mountainstar India Office Parks Private Limited	7.08
<b>Reimbursement of expense incurred by</b>	
Brookprop Management Services Private Limited	257.06
Kairos Property Managers Private Limited	2.35
BSREP India Office Holdings V Pte Ltd	168.07
<b>Inter corporate deposits refunded</b>	
Vrihis Properties Private Limited	1,603.94
<b>Interest expenses on inter corporate deposit</b>	
Vrihis Properties Private Limited	50.62
<b>Internet &amp; Connectivity Charges</b>	
Technology Service Group LLC	12.82
<b>Property management fees</b>	
Brookprop Management Services Private Limited	168.74
Kairos Property Managers Private Limited	74.27

**Brookfield India REIT - Portfolio Companies**  
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**III. Related party transactions:**

Nature of transaction/ Entity's Name	For the year ended 31 March 2021
<b>Compensation to key management personnel</b>	
Short-term employee benefits	10.13
Post-employment benefits*	-
Other long-term benefits	0.49
<b>Security deposit refunded</b>	
Candor Gurgaon One Realty Projects Private Limited	4.57
Seaview Developers Private Limited	7.43
<b>Provision for Gratuity and compensated absences transfer</b>	
Mountainstar India Office Parks Private Limited	6.95
Brookprop Management Services Private Limited	3.26
Vrihis Properties Private Limited	0.05
Arliga India Office Parks Private Limited	0.30
Equinox Business Parks Pvt. Ltd.	0.23
<b>Provision for Gratuity and compensated absences transfer from</b>	
Kairos Property Managers Private Limited	0.24
Equinox Business Parks Pvt. Ltd.	0.18
Vrihis Properties Private Limited	0.19
<b>Trustee Fee Expense</b>	
Axis Trustee Services Limited	2.21
<b>Issue of Unit Capital</b>	
BSREP India office Holdings V Pte. Ltd.	14,882.42
BSREP India Office Holdings Pte Ltd.	11,412.33
BSREP India Office Holdings III Pte. Ltd.	10,100.03
BSREP II India Office Holdings II Pte. Ltd.	7,723.86
Kairos Property Managers Pvt Ltd	931.60
BSREP Moon C1 LP	220.18
BSREP Moon C2 LP	0.02
*As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the respective subsidiaries as a whole, the said liabilities pertaining specifically to KMP are not known for current period and hence, not included here.	
<b>Outstanding balances</b>	
<b>As at 31 March 2021</b>	
<b>Other receivables</b>	
Mountainstar India Office Parks Private Limited	1.99
<b>Trade Payable</b>	
Axis Trustee Services Ltd	2.07
Brookprop Management Services Private Limited	0.61
<b>Other Payable (net of withholding tax)</b>	
Brookprop Management Services Private Limited	65.21
BSREP India Office Holdings V Pte Ltd	198.32
<b>Vendor Advance-Others (net of withholding tax)</b>	
Technology Service Group LLC	17.23

**Brookfield India REIT - Portfolio Companies**  
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- 44 Effective 08 January 2019, Candor Kolkata One Hi-Tech Structures Private Limited (Candor Kolkata) had acquired 99.99% of issued and paid up equity share capital of Candor Gurgaon Two Developers & Projects Private Limited (Candor Gurgaon 2) from BSREP India Office Holdings III Pte Ltd. at a purchase consideration of Rs. 30,500 million as detailed below:

- i. Cash consideration of Rs. 20,400 million for acquiring 39,094 equity shares constituting approximately 66.89% of issued and paid up capital of Candor Gurgaon 2; and
- ii. issuance of up to 45,535 unsecured unlisted Compulsorily Convertible Debentures (“CCDs”) having face value of Rs. 221,807.40 each aggregating up to Rs. 10,100 million to the BSREP India Office Holdings III Pte Ltd for acquiring 19,355 equity shares constituting approximately 33.10% of issued and paid up capital of Candor Gurgaon 2.

During the year ended 31 March 2019, the Board of Directors of the Candor Gurgaon 2 and Candor Kolkata, pursuant to sections 230 - 232 of the Companies Act 2013, proposed the amalgamation of Candor Gurgaon 2 into Candor Kolkata with 09 January 2019 as the appointed date. Accordingly, an application (Scheme of amalgamation) to that effect was filed with the National Company Law Tribunal, Mumbai Bench (“NCLT”) on 07 February 2019. The Scheme was approved by National Company Law Tribunal, Mumbai Bench (“NCLT”) vide its order dated 08 August 2019 read with order dated 14 November 2019 and by the Registrar of Companies on 04 May 2020.

In accordance with Appendix C of Ind AS 103, the amalgamation of Candor Gurgaon 2 with Candor Kolkata has been accounted using pooling of interest method. Accordingly, the financial information in the Special purpose condensed financial statements in respect of prior periods have been presented as if amalgamation had occurred with effect from 01 April 2017. The carrying value of investments in books of accounts of Candor Kolkata in respect of Candor Gurgaon 2, net of face value of equity share capital of Candor Gurgaon 2, has been debited to amalgamation adjustment account. Contractual liability, equal to the amount of the purchase consideration as mentioned above has been created as on 1 April 2017. 12 equity shares of Rs. 10 each required to be issued to share-holders of Candor Gurgaon 2 has been presented as share pending issuance in Combined Statement of changes in equity as at 1 April 2017. Subsequently, during the year ended 31 March 2019, the contractual liability has been settled through purchase consideration as mentioned above. Further, on 10 June 2020, Candor Kolkata has allotted equity shares to other shareholder of Candor Gurgaon 2 in accordance with the approved scheme.

Consequent to scheme of amalgamation, shares of Candor Gurgaon 2 held by Candor Kolkata stands cancelled and extinguished. Further, Candor Kolkata was required to issue and allot 2.35 equity share of Rs. 10 each, fully paid up for every 1 equity share of Rs.10 each held by share-holders of Candor Gurgaon 2 (excluding the shares already held by Candor Kolkata in Candor Gurgaon 2), which shall be rounded off to the nearest integer.

Summary of assets and liabilities acquired as a result of the above mentioned acquisition is as given below:

**Net assets acquired**

<b>Particulars</b>	<b>Rs. (in Million)</b>	<b>Rs. (in Million)</b>
<b>A) Asset acquired on 1 April 2017</b>		
Property, plant and equipment		36.79
Investment property		9,541.86
Financial assets		
Loans		60.95
Other financial assets		89.97
Income tax assets (net)		506.38
Other non-current assets		21.34
Current Financial assets		
Trade receivables	34.71	
Cash and cash equivalents	1,095.21	
Loans	3,975.93	
Other financial assets	131.26	5,237.11
Other current assets		68.57
<b>Sub-total (A)</b>		<b>15,562.97</b>



**Brookfield India REIT - Portfolio Companies**  
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**B) Other Equity and Liabilities assumed on 1 April 2017**

<b>Other Equity</b>		
Retained earnings	1,198.72	
Securities premium	188.78	
Others	0.06	1,387.56
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings		
Other financial liabilities	11,148.61	
	528.76	11,677.37
Deferred tax liabilities (net)		23.72
Other non-current liabilities		122.73
Current financial liabilities		
Trade payables		
Other financial liabilities	256.07	
	1,332.86	1,588.93
Other current liabilities		762.08
<b>Sub-total (B)</b>		<b>15,562.39</b>
<b>Net assets acquired [(A)-(B)]= (C)</b>		
		0.58
<b>Less: Contractual Liability (D)</b>		
-Payable in cash	20,400.00	
-CCDs to be issued	10,100.00	
-Shares to be issued (12 Equity shares of Rs.10 each)	0.00	30,500.00
<b>Amount transferred to amalgamation adjustment account [(C)-(D)]</b>		<b>(30,499.42)</b>

- 45 Shantiniketan Properties Private Limited (SPPL Noida) and Candor Kolkata One Hi-Tech Structures Private Limited (“Candor Kolkata”), which became subsidiary of Brookfield India REIT after it was acquired on 08 February 2021, had received certain amounts as share application money (“Share Application Money”) prior to 31 March 2014, against which SPPL Noida had not allotted shares or refunded such Share Application Money and Candor Kolkata had not allotted shares. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with Paragraph 8(4) of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 (the Rules). During the year ended 31 March 2021, both the subsidiaries had filed application u/s 441 of the Companies Act, 2013 for compounding of offence.

Pursuant to the hearing held on 30 December, 2021, Hon’ble Regional Director accepted the compounding application(s) filed by SPPL Noida and Candor Kolkata and compounded the offence for both the companies by levying a compounding fees, amounting to Rs. 1.05 million for SPPL Noida and Rs. 0.40 million for Candor Kolkata, and passed the order dated 25 January 2022 and 24 January 2022 for Candor Kolkata and SPPL Noida, respectively. The said compounding fees has been paid by the respective subsidiaries within the requisite timelines during the year ended 31 March 2022.

**Brookfield India REIT - Portfolio Companies**  
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**46 Disclosure pursuant to amendment to Ind AS 7 (Cash flow statement):**

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>
<b>Opening balance (Debts &amp; Lease liability)</b>	<b>69,618.22</b>
<b>Cash movement</b>	
Additional borrowing during the year	44,835.99
Repayment during the year	(79,768.34)
Finance cost paid during the year	(6,246.19)
Repayment of lease liabilities	(7.28)
<b>Non cash movement</b>	
Finance cost (accrued) refer note 31	5,570.98
Other non cash changes in finance cost	(2,501.89)
12% Compulsorily Convertible Debentures (including interest accrued) acquired by Brookfield India REIT	(10,388.78)
<b>Closing balance (Debts &amp; Lease liability)</b>	<b>21,112.71</b>

47 "0" Represents value less than Rs. 0.01 million.

For and on behalf of the Issue Committee of the Board of  
Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Ankur Gupta**  
Director  
DIN No. 08687570  
Place: Mumbai  
Date: 24 July 2023

**Alok Aggarwal**  
Chief Executive Officer  
Place: Gurugram  
Date: 24 July 2023

**Sanjeev Kumar Sharma**  
Chief Financial Officer  
Place: Gurugram  
Date: 24 July 2023

## INDEPENDENT AUDITOR'S REPORT

### To The Unitholders of Brookfield India Real Estate Trust Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of Brookfield India Real Estate Trust (the "REIT") and its subsidiaries (together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Unitholders' Equity, for the period July 17, 2020 to March 31, 2021, Statement of Net Assets at fair value as at March 31, 2021, Statement of Total Returns at fair value for the period July 17, 2020 to March 31, 2021 and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid consolidated financial statements gives the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity, for the period July 17, 2020 to March 31, 2021, its consolidated net assets at fair value as at March 31, 2021, its consolidated total returns at fair value of the REIT and each of its subsidiaries for the period July 17, 2020 to March 31, 2021 and other financial information of the Group.

#### Basis for Qualified Opinion

The following matter relates to certain subsidiaries of the REIT:

Paragraph 8(4) of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 (the Rules), require that any allotment of securities against share application money received by a Company, shall be completed within sixty days from the receipt of application money and in case the company is not able to allot the securities within the said period of sixty days, it shall repay the application money within fifteen days thereafter, failing which it will be required to be re-paid with interest at the rate of twelve percent per annum. The monies received on such application shall be kept in a separate bank account and shall not be utilised for any purpose other than (i) for adjustment against allotment of securities; or (ii) for the repayment of monies where the company is unable to allot securities.

Prior to 31 March 2014, Shantiniketan Properties Private Limited (SPPL Noida), subsidiary of the REIT had received certain amounts as share application money ("Share Application Money"), against which SPPL Noida had neither allotted shares nor refunded such Share Application Money. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with the Rules. Prior to 31 March 2014, (i) SPPL Noida had accrued interest on the Share Application Money in accordance with the requirements of the said Rules; and (ii) the Share Application Money (including accrued interest) was converted in full, to inter corporate deposits, based on legal advice obtained by

SPPL Noida. As of date, all such inter corporate deposits have been repaid in full, and there are no outstanding dues payable by SPPL Noida in lieu of having received the Share Application Money. During the period from July 17, 2020 to March 31, 2021, SPPL Noida has filed petition under Companies Act, 2013 for compounding of offence. The impact, if any, of such non-compliances cannot be ascertained.

Prior to 31 March 2014, Candor Kolkata One Hi-Tech Structures Private Limited (“Candor Kolkata”), subsidiary of the REIT had received certain amounts as Share Application Money, against which Candor Kolkata had not allotted shares. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with the Rules. Prior to 31 March 2014, (i) Candor Kolkata had accrued interest on the Share Application Money in accordance with the requirements of the said Rules and refunded the share application money; and (ii) the accrued interest on share application money was converted in full, to inter corporate deposits, based on legal advice obtained by Candor Kolkata. As of date, all such inter corporate deposits have been repaid in full, and there are no outstanding dues payable by Candor Kolkata in lieu of having received the Share Application Money. During the period from July 17, 2020 to March 31, 2021, Candor Kolkata has filed petition under Companies Act, 2013 for compounding of offence. The impact, if any, of such non-compliances cannot be ascertained.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SA) issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibility for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

**Emphasis of matter**

We draw attention to Note 15(a)(i) which describes the presentation of “Unit Capital” as “Equity” to comply with REIT Regulations. Our opinion is not modified in respect of this matter.

**Key Audit Matter**

Key audit matter is the matters that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor’s Response
<p>Fair Value of investment properties:</p> <p>In accordance with REIT Regulations, the REIT discloses Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets and liabilities. As at March 31, 2021, fair value of total assets was Rs. 123,626.13 million; out of which fair value of investment property is Rs. 114,808.00 million representing 93% of the fair value of total assets.</p> <p>The fair value of investment property is determined by an independent valuer using discounted cash flow method.</p>	<p>Principal Audit Procedures Performed:</p> <p>Our audit procedures related to the forecasted market rent, terminal capitalization rates and discount rate used to determine the fair value of investment property included the following, among others:</p> <ul style="list-style-type: none"> <li>We obtained the independent valuer’s valuation reports to obtain an understanding of the source of information used by the independent valuer in determining these assumptions.</li> </ul>

<p>While there are several assumptions that are required to determine the fair value of investment property; assumptions with the highest degree of estimate, subjectivity and impact on fair values are forecasted market rent, terminal capitalization rate and discount rate. Auditing these assumptions required a high degree of auditor judgement as the estimates made by the independent valuer contains significant measurement uncertainty.</p> <p>Refer Statement of Net assets at fair value and Statement of total returns at fair value in the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>• We tested the reasonableness of inputs, shared by management with the independent valuer by comparing it to source information used in preparing the inputs such as rent rolls.</li> <li>• We evaluated the reasonableness of management’s forecasted market rent by comparing it with sample of lease agreements for ongoing rentals, contractual lease escalations and other market information, as applicable.</li> <li>• With the assistance of our fair valuation specialist, we evaluated the reasonableness of forecasted market rent, terminal capitalization rates and discount rate by comparing it with market information such as recent market transactions for comparable properties, market surveys by property consultants and broker quotes, as applicable.</li> </ul>
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**Information Other than the Financial Statements and Auditor’s Report Thereon**

- Brookprop Management Services Private Limited (the “Investment Manager”) in its capacity as an Investment Manager is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 ‘The Auditor’s responsibilities Relating to Other Information’.

**Management’s Responsibility for the Consolidated Financial Statements**

The Management of the Investment Manager (the “Management”) is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows, consolidated changes in unitholders’ equity of the Group, net assets at fair value and total returns at fair value of the Group and other financial information of the Group in conformity with the REIT regulations, the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Investment Manager of the REIT, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Investment Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the REIT and respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Investment Manager along with respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Investment Manager and the respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the condensed consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the REIT and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit and as required by REIT regulations, we report that:

- a) Except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Unitholders' Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
- c) In our opinion, except for the matter described in the Basis for Qualified Opinion section above, the aforesaid consolidated financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT Regulations.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Reg. No. 015125N)

Bengaluru, May 20, 2021

Sd/-  
Anand Subramanian  
Partner  
(Membership No. 110815)  
(UDIN: 21110815AAAABS5515)



**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Balance Sheet**

Particulars	Note	As at 31 March 2021
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	3	101.17
Investment property	4	100,179.76
Investment property under development	4	791.74
Intangible assets	3	0.42
Financial assets		
-Loans	5	517.38
-Other financial assets	6	281.83
Deferred tax assets (net)	43	2,641.23
Non-current tax assets (net)	7	1,407.42
Other non-current assets	8	38.04
<b>Total non-current assets</b>		<b>105,958.99</b>
<b>Current assets</b>		
Financial assets		
-Trade receivables	9	204.35
-Cash and cash equivalents	10	3,155.19
-Other bank balances	11	150.65
-Loans	12	0.01
-Other financial assets	13	163.13
Other current assets	14	157.31
<b>Total current assets</b>		<b>3,830.64</b>
<b>TOTAL ASSETS</b>		<b>109,789.63</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Unit Capital	15	81,774.78
Other equity	16	252.75
<b>Total equity</b>		<b>82,027.53</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>		
Financial liabilities		
-Borrowings	17	21,015.17
-Other financial liabilities (including lease liabilities)	18	1,499.39
Long term provisions	19	10.86
Other non-current liabilities	20	386.47
<b>Total non-current liabilities</b>		<b>22,911.89</b>

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Balance Sheet**

Particulars	Note	As at 31 March 2021
<b>Current liabilities</b>		
Financial liabilities		
-Trade payables	21	
Total outstanding dues to micro enterprises and small enterprises		1.09
Total outstanding dues to creditors other than micro enterprises and small enterprises		444.41
-Other financial liabilities (including lease liabilities)	22	4,004.21
Short term provisions	23	4.49
Other current liabilities	24	396.01
<b>Total current liabilities</b>		<b>4,850.21</b>
<b>Total liabilities</b>		<b>27,762.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>109,789.63</b>

Since Brookfield India REIT was registered pursuant to a trust deed dated 17 July 2020, the management has provided the information in Consolidated Balance Sheet as at 31 March 2021. Consequently, the information for corresponding year have not been presented.

Significant accounting policies

2

The accompanying notes from 1 to 49 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815

Place: Bengaluru  
Date: 20 May 2021

**Ankur Gupta**  
Director  
DIN No. 08687570

Place: Mumbai  
Date: 20 May 2021

**Alok Aggarwal**  
Chief executive officer  
DIN No. 00009964

Place: Gurugram  
Date: 20 May 2021

**Sanjeev Kumar Sharma**  
Chief financial officer  
DIN No. 00211963

Place: Gurugram  
Date: 20 May 2021

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees millions unless otherwise stated)

**Consolidated Statement of Profit and Loss**

Particulars	Note	From 17 July 2020 to 31 March 2021*
<b>Income and gains</b>		
Revenue from operations	25	1,309.42
Other income	26	51.65
<b>Total income</b>		<b>1,361.07</b>
<b>Expenses and losses</b>		
Cost of material consumed	27	2.48
Employee benefits expenses	28	28.10
Finance costs	29	410.77
Depreciation and amortization expenses	30	316.75
Valuation Expenses		5.78
Trustee Fees		2.21
Other expenses	31	445.55
<b>Total expenses</b>		<b>1,211.64</b>
<b>Profit/(Loss) before income tax</b>		<b>149.43</b>
<b>Tax expense:</b>	32	
Current tax		
-for current period		0.44
-for earlier years		18.89
Deferred tax charge/ (credit)		(122.93)
<b>Tax expense for the period</b>		<b>(103.60)</b>
<b>Profit/(Loss) for the period after income tax</b>		<b>253.03</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
<b>Other comprehensive income for the period, net of tax</b>		<b>(0.28)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>252.75</b>
<b>Earnings per unit</b>		
Basic	39	4.26
Diluted		4.26
Significant accounting policies	2	

The accompanying notes from 1 to 49 form an integral part of these consolidated financial statements.

\* Since Brookfield India REIT was registered pursuant to a trust deed dated 17 July 2020, the management has provided the information in Consolidated Statement of Profit and Loss with effect from said period i.e. 17 July 2020 for period ended 31 March 2021. Consequently, the information for previous year ended 31 March 2020 have not been presented.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
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DIN No. 00009964

Place: Gurugram  
Date: 20 May 2021

**Sanjeev Kumar Sharma**  
Chief financial officer  
DIN No. 00211963

Place: Gurugram  
Date: 20 May 2021

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

(All amounts are in Rupees Millions unless otherwise stated)

**Consolidated statement of cash flows**

Particulars	From 17 July 2020 to 31 March 2021*
<b>Cash flows from operating activities :</b>	
Profit/(Loss) before tax	149.43
<i>Adjustments for :</i>	
Depreciation and amortization expense	316.75
Gratuity expense	1.08
Compensated absences	0.29
Allowance for credit loss	0.05
Interest income on fixed deposit	(3.21)
Deferred Income amortization	(21.01)
Advances written off	1.27
Credit impaired	23.32
Property, plant and equipment written off	0.15
Finance cost	410.77
Other interest	(2.49)
<b>Operating cash flow before working capital changes</b>	<b>876.40</b>
<b>Movement in working capital:</b>	
Decrease in other current and non current assets	55.20
Decrease in current and non current financial assets	302.32
Increase/(Decrease) in current and non current financial liabilities	(118.35)
(Decrease) in other current and non current liabilities	(292.85)
<b>Cash flows generated from operating activities</b>	<b>822.72</b>
Income tax refund received (net)	573.50
<b>Net cash flows generated from operating activities (A)</b>	<b>1,396.22</b>
<b>Cash flow from investing activities :</b>	
Expenditure incurred on investment property	(132.59)
Purchase of property, plant and equipment	(4.52)
Fixed deposits made #	(347.40)
Interest received on fixed deposits	1.11
Interest received	2.49
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>(480.91)</b>
<b>Cash flow from financing activities : ##</b>	
Finance costs paid	(592.85)
Proceeds from long-term borrowings	21,200.00
Repayment of non convertible bonds	(256.00)
Repayment of long-term borrowings	(56,620.43)
Proceeds from issue of Units	38,000.00
Expense incurred towards Initial public offerings	(268.14)
<b>Net cash flow (used in) / generated from financing activities (C)</b>	<b>1,462.58</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,377.89</b>
<b>Cash and cash equivalents at the beginning of the period</b>	-
<b>Cash and cash equivalents acquired due to asset acquisition:</b>	
Bank balance	
-in current account	447.30
-in deposit account	330.00
	<b>777.30</b>

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

(All amounts are in Rupees Millions unless otherwise stated)

**Consolidated statement of cash flows**

Particulars	From 17 July 2020 to 31 March 2021*
<b>Cash and cash equivalents at the end of the period (refer note 10)</b>	<b>3,155.19</b>
<b>Components of cash and cash equivalents at the end of the period</b>	
Balances with banks	
- in current account	1,132.32
- in deposit account	590.00
- in escrow account	1,432.87
	<u><u>3,155.19</u></u>

# Represents fixed deposits with original maturity of more than 3 months.

## Refer note 17 for changes in liabilities arising from financing activities.

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard -7 : "Statement on Cash Flows".

2. The Trust has issued Units in exchange for investments in SPVs during the year ended 31 March 2021. The same has not been reflected in Consolidated Statement of Cash Flows since these were non-cash transactions.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 49 form an integral part of these consolidated financial statements.

\* Since Brookfield India REIT was registered pursuant to a trust deed dated 17 July 2020, the management has provided the information in Condensed Consolidated Statement of cash flows with effect from said period i.e. 17 July 2020 for period ended 31 March 2021. Consequently, the information for previous year ended 31 March 2020 have not been presented.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815

Place: Bengaluru  
Date: 20 May 2021

**Ankur Gupta**      **Alok Aggarwal**  
Director              Chief executive officer  
DIN No. 08687570    DIN No. 00009964

Place: Mumbai      Place: Gurugram  
Date: 20 May 2021    Date: 20 May 2021

**Sanjeev Kumar Sharma**  
Chief financial officer  
DIN No. 00211963

Place: Gurugram  
Date: 20 May 2021

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
(All amounts are in Rupees million unless otherwise stated)

**Consolidated Statement of changes in Unitholder's Equity**

	<b>Unit in Nos.</b>	<b>Amount</b>
<b>(a) Unit Capital</b>		
<b>Balance as on 17 July 2020*</b>	-	-
Add: Units issued during the year (refer note 15)	302,801,601	83,270.44
Less: Issue expenses		(1,495.66)
<b>Balance as at 31 March 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>

**(b) Other equity**

<b>Particulars</b>	<b>Retained earnings</b>
<b>Balance at 17 July 2020*</b>	-
Profit for the period ended 31 March 2021	253.03
Other comprehensive income for the period ended 31 March 2021	(0.28)
<b>Balance as at 31 March 2021</b>	<b>252.75</b>

\* Since Brookfield India REIT was registered pursuant to a trust deed dated 17 July 2020, the management has provided the information in Consolidated Statement of changes in Unitholder's Equity with effect from said period i.e. 17 July 2020 for period ended 31 March 2021. Consequently, the information for corresponding period have not been presented.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 49 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815

**Ankur Gupta**  
Director  
DIN No. 08687570

**Alok Aggarwal**  
Chief executive officer  
DIN No. 00009964

Place: Bengaluru  
Date: 20 May 2021

Place: Mumbai  
Date: 20 May 2021

Place: Gurugram  
Date: 20 May 2021

**Sanjeev Kumar Sharma**  
Chief financial officer  
DIN No. 00211963

Place: Gurugram  
Date: 20 May 2021

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
**(All amounts are in Rupees millions unless otherwise stated)**

**Statement of Net Assets at Fair Value as on 31 March 2021**

S.No	Particulars	Book Value	Fair value
A	Assets	109,789.63	123,626.13 (refer note 2 below)
B	Liabilities	(27,762.10)	(27,762.10)
C	<b>Net Assets (A-B)</b>	<b>82,027.53</b>	<b>95,864.03</b>
D	No. of units	302,801,601	302,801,601
E	<b>NAV per unit (C/D)</b>	<b>270.90</b>	<b>316.59</b>

**Measurement of fair values**

The fair value of investment properties and investment property under development has been determined by independent external property valuers, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued.

**Valuation technique**

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 sq. ft. 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 vs secondary), tenant credit quality, lease terms and investors expected return.

For fair valuation of financial assets and financial liabilities refer note 35.

**Notes**

1. Candor Kolkata has plans to de-notify a portion of its SEZ into non SEZ. The denotification will be taken up prior to the construction commencement and is procedural in nature. Hence, the fair valuation of such SEZ portion has been computed by the valuers assuming non IT use.

2. Project wise break up of Fair value of Assets as at 31 March 2021 is as follows:

Entity and Property name	Fair value of Investment property and Investment property under development	Other assets at book value	Total assets
Candor Kolkata One Hi-Tech Structures Private Limited	69,195.00	4,245.24	73,440.24
Shantiniketan Properties Private Limited	20,121.00	787.97	20,908.97
Festus Properties Private Limited	25,492.00	1,907.93	27,399.93
Candor India Office Parks Private Limited	-	211.78	211.78
Brookfield India Real Estate Trust	-	1,665.21	1,665.21
	<b>114,808.00</b>	<b>8,818.13</b>	<b>123,626.13</b>

a. Fair values of assets as disclosed above are the fair values of the total assets of all SPVs as included in the Consolidated Financial Statements.

b. Fair values of investment property and investment property under development as at 31 March 2021 as disclosed above are solely based on the fair valuation report of the independent valuer appointed under the REIT Regulations.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 49 form an integral part of these consolidated financial statements.

As per our report of even date attached

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
(as Manager to the Brookfield India REIT)

**Anand Subramanian**  
Partner  
Membership No: 110815

**Ankur Gupta**  
Director  
DIN No. 08687570

**Alok Aggarwal**  
Chief executive officer  
DIN No. 00009964

Place: Bengaluru  
Date: 20 May 2021

Place: Mumbai  
Date: 20 May 2021

Place: Gurugram  
Date: 20 May 2021

**Sanjeev Kumar Sharma**  
Chief financial officer  
DIN No. 00211963

Place: Gurugram  
Date: 20 May 2021

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
 (All amounts are in Rupees millions unless otherwise stated)

**Statement of Total Return at Fair Value**

S.No	Particulars	From 17 July 2020 to 31 March 2021
A	Total comprehensive Income	252.75
B	Add/(Less) : Changes in fair value not recognized -Investment Property	521.82
C (A+B)	<b>Total Return</b>	<b>774.57</b>

In the above statement, changes in fair value for the period ended 31 March 2021 has been computed based on the difference in fair values of investment properties and investment property under development as at 31 March 2021 and 08 February 2021 after adjusting change in book value of investment properties and investment property under development. The fair values of the aforementioned assets as at 31 March 2021 and 08 February 2021 are solely based on the valuation report of the independent valuer appointed under the REIT Regulations.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 49 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
 Chartered Accountants  
 Firm Registration No.: 015125N

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
 (as Manager to the Brookfield India REIT)

**Anand Subramanian**  
 Partner  
 Membership No: 110815

Place: Bengaluru  
 Date: 20 May 2021

**Ankur Gupta**  
 Director  
 DIN No. 08687570

Place: Mumbai  
 Date: 20 May 2021

**Alok Aggarwal**  
 Chief executive officer  
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Place: Gurugram  
 Date: 20 May 2021

**Sanjeev Kumar Sharma**  
 Chief financial officer  
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Place: Gurugram  
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**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**  
**(All amounts are in Rupees millions unless otherwise stated)**

**1 Organization structure**

The consolidated financial statements ('Consolidated Financial Statements') comprise financial statements of Brookfield India Real Estate Trust ('Brookfield India REIT' or 'Trust') and its subsidiaries namely Shantiniketan Properties Private Limited ('SPPL Noida'), Candor Kolkata One Hi-Tech Structures Private Limited ('Candor Kolkata'), Festus Properties Private Limited ('Festus') and Candor India Office Parks Private Limited ('CIOP') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Brookfield India REIT Portfolio companies' or 'Group'). The SPVs are companies domiciled in India.

Brookprop Management Services Private Limited (the 'Settlor') has set up the Brookfield India Real Estate Trust on 17 July 2020, as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 14 September 2020 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Brookfield India Real Estate Trust is Axis Trustee Services Limited (the 'Trustee') and the Manager for Brookfield India Real Estate Trust is Brookprop Management Services Private Limited (the 'Manager').

The objectives of Brookfield India REIT are to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of Brookfield India REIT is to own and invest in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders.

Brookfield India REIT acquired the following SPVs by acquiring all the equity interest held by the Sponsor and certain members of Sponsor Group (refer note 41) on 08 February 2021. In exchange for these equity interests, the above shareholders have been allotted 127,892,403 Units of Brookfield India REIT valued at Rs. 275/- each.

Brookfield India REIT went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the successful applicants on 08 February 2021 and 11 February 2021.

All these Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 16 February 2021.

The brief activities and shareholding pattern of the SPVs are provided below:

<u>Name of SPV</u>	<u>Activities</u>	<u>Shareholding up to 08 February 2021 (in percentage)</u>	<u>Shareholding from 08 February 2021 (in percentage)</u>
SPPL Noida	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS sector in Sector 62, Noida, Uttar Pradesh.	BSREP India Office Holdings Pte. Ltd.: 100% BSREP Moon C1 L.P.: 0.00% (10 Shares)	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
Candor Kolkata	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in New Town, Rajarhat, Kolkata and Sector 21, Dundaheera Gurugram	BSREP India Office Holdings V Pte. Ltd.: 99.97% BSREP India Office Holdings Pte. Ltd.: 0.03%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
CIOP	Providing management related service including facilities management service and property management services.	BSREP Moon C1 L.P.: 99.99% BSREP Moon C2 L.P. : 0.01%	Brookfield India REIT : 100% Candor Kolkata One Hi-Tech Structures Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)
Festus	Developing and leasing of commercial real estate property in India, primarily in IT/ITeS Special Economic Zone (SEZ) in Powai, Mumbai.	Kairos Property Managers Pvt. Ltd.:10.76% BSREP II India Office Holdings II Pte. Ltd.:89.24%	Brookfield India REIT : 100% Candor India Office Parks Private Limited : 0.00% (1 shares) (as nominee of Brookfield India REIT)

# Brookfield India Real Estate Trust Consolidated Financial Statements

## Notes to the consolidated financial statements

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### 2. Basis of preparation and significant accounting policies

#### 2.1 Basis of preparation of Consolidated financial statements

The Consolidated Financial Statements of Brookfield India REIT comprises the Consolidated Balance Sheet as at 31 March 2021; the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Unitholders' Equity for the period 17 July 2020 to 31 March 2021 and a summary of significant accounting policies and other explanatory information. Additionally, it includes the Statement of Net Assets at Fair Value as at 31 March 2021, the Statement of Total Returns at Fair Value for the period then ended and other additional financial disclosures as required under the SEBI (Real Estate Investment Trusts) Regulations, 2014. The Consolidated Financial Statements were authorized for issue in accordance with resolutions passed by the Board of Directors of the Manager on behalf of the Brookfield India REIT on 20 May 2021. The Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time read with the SEBI circular number CIR/IMD/DF/146/2016 dated 29 December 2016 ("REIT Regulations"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') to the extent not inconsistent with the REIT Regulations (refer note 15(a)(i) on 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.

The Consolidated Financial Statements are presented in Indian Rupees in Millions, except when otherwise indicated.

#### Statement of compliance to Ind AS:

These Consolidated financial statements for the period ended 31 March 2021 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the REIT regulations as more fully described above and in Note 15(a)(i) to the consolidated financial statements.

#### 2.2 Significant accounting policies

##### a) Basis of Consolidation

The Brookfield India REIT consolidates entities which it owns or controls. The Condensed Consolidated Financial Statements comprise the financial statements of the Brookfield India REIT and its subsidiary SPVs as disclosed in Note 1. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The procedure adopted for preparing Condensed Consolidated Financial Statements of Brookfield India REIT are stated below:

- i) The Condensed Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 - Consolidated Financial Statements.
- ii) The financial statements of the Brookfield India REIT were Consolidated by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows.

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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iii) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of Brookfield India REIT are eliminated in full;

iv) The figures in the notes to accounts and disclosures have been Consolidated line by line and Inter-company transactions and balances including unrealized profit are eliminated in full on consolidation.

#### **b) Functional and presentation currency**

The Consolidated Financial Statements are presented in Indian rupees, which is Brookfield India REIT's functional currency and the currency of the primary economic environment in which Brookfield India REIT operates. All financial information presented in Indian rupees has been rounded off to nearest million except unit and per unit data.

#### **c) Basis of measurement**

The Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

The Consolidated Financial Statements have been prepared on a going concern basis.

#### **d) Use of judgments and estimates**

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles in India (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 (Note 15)
- (ii) determination of useful life and residual values of investment property and property, plant and equipment (Note 2.2 (g) and (h))
- (iii) classification of assets as investment property or as property, plant and equipment (Note 2.2 (g) and (h))
- (iv) determination of recoverable amount / fair value of investment property (Note 2.2 (g), Statement of Net Assets at Fair Value, Statement of Total Return at Fair Value and Note 44)
- (v) impairment of financial assets, property, plant and equipment and intangible assets (Note 2.2 (i) and (l))
- (vi) recognition and measurement of provisions for contingencies and disclosure of contingent liabilities (Note 2.2 (q) and Note 33)
- (vii) determination of lease term (Note 2.2 (n))
- (viii) recognition / recoverability of deferred tax assets (Note 2.2 (p))

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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#### **e) Current versus non-current classification**

Brookfield India REIT presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Brookfield India REIT classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in normal operating cycle of Brookfield India REIT;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Brookfield India REIT does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Brookfield India REIT classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/ liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **f) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Brookfield India REIT takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the consolidated financial statements**

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Fair value measurements are adopted by Brookfield India REIT to calculate the carrying amounts of various assets and liabilities.

**g) Investment properties**

*Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, realty taxes and borrowing costs directly attributable to the development. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in Statement of profit and loss.

*Depreciation*

Investment property are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of the investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	4 – 15
Furniture and Fixtures	10 – 12
Electrical fittings	4 – 15
Diesel generator sets	15 – 25
Air conditioners	5 – 15
Office Equipment	5 – 12
Kitchen Equipment	5
Computers	3 – 6
Right of Use (Leasehold Land)	As per lease term

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the consolidated financial statements**

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The fair value of investment property is disclosed in the statement of net assets at fair value. Fair values are determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**h) Property, plant and equipment and intangible assets**

*Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Brookfield India REIT and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of a property, plant and equipment is recognized in Statement of profit and loss.

*Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

**Brookfield India Real Estate Trust**  
**Consolidated Financial Statements**

**Notes to the consolidated financial statements**

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Estimated useful lives of items of property, plant and equipment are tabulated as follows: -

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	5 – 20
Furniture and Fixtures	5 – 14
Electrical fittings	10
Air conditioners	5 – 15
Office Equipment	4 – 15
Kitchen Equipment	5
Vehicle	8
Computers	3 – 14
Computer Software	5

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of 5 years, which represents the period over which the Brookfield India REIT expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

**i) Impairment of non-financial assets**

Brookfield India REIT assesses, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Brookfield India REIT estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the Consolidated Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the Consolidated Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **j) Foreign currency transactions**

Items included in the financial statements of the Brookfield India REIT are measured using the currency of the primary economic environment in which the Brookfield India REIT operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Brookfield India REIT functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the Statement of profit and loss.

#### **k) Errors, estimates and change in accounting policy**

The Brookfield India REIT revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the Consolidated Financial Statements. Changes in accounting policies are applied retrospectively, where applicable.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

#### **l) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **(i) Financial Assets - Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

##### **• Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:



## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

#### **• Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss is recognized in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

#### **• Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Brookfield India REIT may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Brookfield India REIT has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

#### **• Equity instruments measured at fair value through other comprehensive income (FVOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Brookfield India REIT may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Brookfield India REIT makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Brookfield India REIT decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Brookfield India REIT may transfer the cumulative gain or loss within equity.

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

#### **(ii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Brookfield India REIT balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Brookfield India REIT has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Brookfield India REIT has transferred substantially all the risks and rewards of the asset, or (b) the Brookfield India REIT has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **(iii) Impairment of financial assets**

Brookfield India REIT recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date, is recognized as an impairment gain or loss in the Statement of Profit and Loss.

#### **(iv) Financial liabilities – Recognition and Subsequent measurement**

Brookfield India REIT financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

Brookfield India REIT financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

##### **• Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Brookfield India REIT that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Brookfield India REIT may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Brookfield India REIT has not designated any financial liability as at fair value through profit or loss.

#### **• Financial liabilities at amortized cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### **(v) Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

#### **(vi) Income/loss recognition**

##### **• Interest income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Brookfield India REIT estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### **• Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The Brookfield India REIT considers practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

#### **(vii) Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

#### **m) Leases**

At inception of a contract, the Brookfield India REIT assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Brookfield India REIT assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Brookfield India REIT has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Brookfield India REIT has the right to direct the use of the asset. The Brookfield India REIT has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Brookfield India REIT has the right to direct the use of the asset if either:
  - the Brookfield India REIT has the right to operate the asset; or
  - the Brookfield India REIT designed the asset in a way that predetermines how and for what purpose it will be used.

#### **As a lessee**

The Brookfield India REIT recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

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lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Brookfield India REIT incremental borrowing rate. Generally, the Brookfield India REIT uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Brookfield India REIT is reasonably certain to exercise, lease payments in an optional renewal period if the Brookfield India REIT is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Brookfield India REIT is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Brookfield India REIT estimate of the amount expected to be payable under a residual value guarantee, or if the Brookfield India REIT changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Brookfield India REIT presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other financial liabilities (current and non-current)' in the statement of financial position.

The Brookfield India REIT has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Brookfield India REIT recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **As a Lessor**

The Brookfield India REIT enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Brookfield India REIT is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Brookfield India REIT is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Brookfield India REIT net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Brookfield India REIT net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Brookfield India REIT applies Ind AS 115 to allocate the consideration under the contract to each component.

#### **n) Revenue recognition**

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

##### *i. Income from Operating Lease Rentals*

Assets given under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, management considers all facts and circumstances including renewal, termination and market conditions.

Income from Operating Lease Rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

##### *ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when the entity has satisfied its performance obligation by delivering services as per terms of contract entered into with tenants.

#### **o) Employee benefits**

Employee benefits include provident fund, gratuity and compensated absences.

##### *Provident fund*

The Brookfield India REIT 's contribution to provident fund is considered as defined contribution plans and is charged as an expense in statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

##### *Gratuity*

Brookfield India REIT have an obligation towards gratuity, a defined post-employment benefits plan covering eligible employees. The present value of the defined benefit liability and the related current

## Brookfield India Real Estate Trust Consolidated Financial Statements

### Notes to the consolidated financial statements

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service cost and past service cost are measured using projected unit credit method; with actuarial valuations being carried out at each balance sheet date. Remeasurements comprising actuarial gains and losses are recognized immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Brookfield India REIT recognizes related restructuring costs or termination benefits, whichever is earlier.

#### *Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### *Other Long-term employee benefits*

The employees of the Brookfield India REIT are entitled to Other long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses relating to long-term employee benefits are recognised in the statement of Profit and Loss in the period in which they arise.

### **p) Taxation**

Income tax expense comprises current and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

#### *(i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

## Brookfield India Real Estate Trust Consolidated Financial Statements

### Notes to the consolidated financial statements

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Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Brookfield India REIT will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### (ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Brookfield India REIT is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, Brookfield India REIT recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets—unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Brookfield India REIT expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **q) Provisions and contingencies**

A provision is recognized when the Brookfield India REIT has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.



## **Brookfield India Real Estate Trust Consolidated Financial Statements**

### **Notes to the consolidated financial statements**

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A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Brookfield India REIT or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Brookfield India REIT does not recognize a contingent liability but discloses its existence in the financial statements.

#### **r) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### ***Identification of segments:***

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and assess their performance. An operating segment is a component of the Brookfield India REIT that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Brookfield India REIT other components.

Based on an analysis of Brookfield India REIT structure and powers conferred to the Manager to Brookfield India REIT, the Governing Board of the Manager (Brookprop Management Services Private Limited) has been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Brookfield India REIT is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

#### **s) Subsequent events**

The Consolidated Financial Statements are prepared after reflecting adjusting and non-adjusting events that occur after the reporting period but before the Consolidated Financial Statements are authorized for issue.

#### **t) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **u) Earnings per unit**

Basic earnings per unit are calculated by dividing the net profit / (loss) for the period attributable to unit holders of the Brookfield India REIT by the weighted average number of units outstanding during the period.

## **Brookfield India Real Estate Trust Consolidated Financial Statements**

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For the purpose of calculating diluted earnings per unit, the profit or loss for the period attributable to unit holders of the Brookfield India REIT and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Dilutive potential units are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per unit, only potential equity units that are dilutive and which either reduces earnings per unit or increase loss per units are included.

#### **v) Consolidated Statement of Cash flows**

Consolidated Cash flows are reported using the indirect method, whereby Profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits.

#### **w) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### **x) Business Combination/Asset Acquisition**

The amendment to Ind AS 103 Business Combinations clarifies 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 SPVs. Refer Note 45 of the financial statements for details.

#### **y) Cash distribution to Unitholders**

The Brookfield India REIT recognizes a liability to make cash distributions to Unitholders when the distribution is authorized and a legal obligation has been created. As per the REIT Regulations, a distribution is authorized when it is approved by the Board of Directors of the Manager. A corresponding amount is recognized directly in equity. (also refer note 15(a)(i)).

Brookfield India Real Estate Trust  
Consolidated Financial Statements  
(All amounts are in Rupees millions unless otherwise stated)  
Notes to the consolidated financial statements

3 Property, plant and equipment and Intangible assets

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance as at 18 July 2020	Additions due to assets acquisition*	Additions during the period	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 18 July 2020	Charge for the period	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
<b>Assets (site)</b>											
Air conditioner	-	0.07	-	-	0.07	-	-	-	-	0.07	-
Building	-	-	-	-	-	-	-	-	-	-	-
Computers	-	0.08	-	-	0.08	-	-	-	-	0.08	-
Plant and machinery	-	0.02	-	-	0.02	-	-	-	-	0.02	-
Furniture and fixtures	-	1.45	-	(0.02)	1.43	-	0.09	-	0.09	1.34	-
Office equipment	-	0.28	-	-	0.28	-	0.00	-	0.00	0.28	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-
<b>Sub total</b>	-	<b>1.90</b>	-	<b>(0.02)</b>	<b>1.88</b>	-	<b>0.09</b>	-	<b>0.09</b>	<b>1.79</b>	-
<b>Assets (maintenance)</b>											
Air conditioner	-	1.04	2.07	-	3.11	-	0.07	-	0.07	3.04	-
Plant and machinery	-	63.19	3.47	(0.12)	66.54	-	1.02	-	1.02	65.52	-
Furniture and fixtures	-	26.53	0.16	-	26.69	-	0.89	-	0.89	25.80	-
Office equipment	-	4.87	-	-	4.87	-	0.52	-	0.52	4.35	-
Electrical fittings	-	0.60	-	-	0.60	-	0.01	-	0.01	0.59	-
Kitchen Equipments	-	0.08	-	-	0.08	-	0.00	-	0.00	0.08	-
<b>Sub total</b>	-	<b>96.31</b>	<b>5.70</b>	<b>(0.12)</b>	<b>101.89</b>	-	<b>2.51</b>	-	<b>2.51</b>	<b>99.38</b>	-
<b>TOTAL</b>	-	<b>98.21</b>	<b>5.70</b>	<b>(0.14)</b>	<b>103.77</b>	-	<b>2.60</b>	-	<b>2.60</b>	<b>101.17</b>	-
<b>Intangible Assets</b>											
Softwares	-	0.46	-	-	0.46	-	0.04	-	0.04	0.42	-
<b>GRAND TOTAL</b>	-	<b>98.67</b>	<b>5.70</b>	<b>(0.14)</b>	<b>104.23</b>	-	<b>2.64</b>	-	<b>2.64</b>	<b>101.59</b>	-

\*Above assets have been acquired as part of assets acquisition. Refer note 2.1 Basis for consolidation and note 45.

Brookfield India Real Estate Trust  
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(All amounts are in Rupees millions unless otherwise stated)  
Notes to the consolidated financial statements

4 Investment property

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance As at 18 July 2020	Additions due to assets acquisition*	Additions during the period	Deletions/ Adjustments	Balance As at 31 March 2021	Balance As at 18 July 2020	Charge for the period	Deletions/ Adjustments	Balance As at 31 March 2021	Balance As at 31 March 2021	As at 31 March 2020
<b>Assets (constructed), given/expected to be given on operating lease</b>											
Freehold land	-	25,580.44	-	-	25,580.44	-	-	-	-	25,580.44	-
Buildings	-	70,466.26	112.55	-	70,578.81	-	205.04	-	205.04	70,373.77	-
Air conditioners	-	1,210.61	(0.63)	-	1,209.98	-	22.77	-	22.77	1,187.21	-
Electrical fittings & equipment	-	805.03	0.97	-	806.00	-	30.92	-	30.92	775.08	-
Plant and machinery	-	877.38	3.28	-	880.66	-	17.91	-	17.91	862.75	-
Diesel generator sets	-	651.23	-	-	651.23	-	12.98	-	12.98	638.25	-
Furniture and fixtures	-	262.99	-	(0.01)	262.98	-	21.22	-	21.22	241.76	-
Right of use (leasehold land)	-	459.96	-	-	459.96	-	0.87	-	0.87	459.09	-
Office Equipment	-	16.87	-	-	16.87	-	1.01	-	1.01	15.86	-
Computers	-	0.88	0.26	-	1.14	-	0.06	-	0.06	1.08	-
<b>Sub total</b>	-	<b>100,331.65</b>	<b>116.43</b>	<b>(0.01)</b>	<b>100,448.07</b>	-	<b>312.78</b>	-	<b>312.78</b>	<b>100,135.29</b>	-
<b>Assets (food court), given/expected to be given on operating lease</b>											
Air conditioner	-	7.05	-	-	7.05	-	0.13	-	0.13	6.92	-
Furniture & fixtures	-	29.67	-	-	29.67	-	1.43	-	1.43	28.24	-
Plant and machinery	-	4.81	-	-	4.81	-	0.09	-	0.09	4.72	-
Office equipment	-	2.12	-	-	2.12	-	0.08	-	0.08	2.04	-
Kitchen equipment	-	2.52	-	-	2.52	-	0.17	-	0.17	2.35	-
Computers	-	0.20	-	-	0.20	-	-	-	-	0.20	-
<b>Sub total</b>	-	<b>46.37</b>	-	-	<b>46.37</b>	-	<b>1.90</b>	-	<b>1.90</b>	<b>44.47</b>	-
<b>Sub total - Investment Property</b>	-	<b>100,378.02</b>	<b>116.43</b>	<b>(0.01)</b>	<b>100,494.44</b>	-	<b>314.68</b>	-	<b>314.68</b>	<b>100,179.76</b>	-
<b>Investment property - under development</b>											
Work in progress	-	723.34	172.02	(103.62)	791.74	-	-	-	-	791.74	-
<b>Sub total - Investment Property under development</b>	-	<b>723.34</b>	<b>172.02</b>	<b>(103.62)</b>	<b>791.74</b>	-	-	-	-	<b>791.74</b>	-
<b>Total</b>	-	<b>101,101.36</b>	<b>288.45</b>	<b>(103.63)</b>	<b>101,286.18</b>	-	<b>314.68</b>	-	<b>314.68</b>	<b>100,971.50</b>	-

\*Above assets have been acquired as part of assets acquisition. Refer note 2.1 Basis for consolidation and note 45.

**Brookfield India Real Estate Trust**  
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**Note:**

- (i) Borrowing costs capitalised during the period amounts to Rs. 3.25 million (refer note 29). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.76% for SPPL Noida and 9.05% for Candor Kolkata.
- (ii) The fair value of investment property (including under development) as at 31 March 2021 amounts to Rs. 1,14,808.00 million, as per valuations performed by external property valuers who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. 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 sq. ft. 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 vs secondary), tenant credit quality, lease terms and investors expected return. The fair value measurement of investment property has been categorised as Level 3.
- (iii) Refer Note 34 for disclosure of contractual commitments for purchase, construction or development of investment property.
- (iv) Refer note 17(a) in respect of investment property given as security in respect of secured borrowing taken from banks/others.
- (v) Candor Kolkata has received reimbursement from its customers for certain assets constructed / acquired on the specific requirement of the customer. The cost of the assets are included in fixed assets and the reimbursement has been disclosed as deferred income (also refer note 20 and 24).

**(vi) Information regarding income and expenditure of Investment property**

**From 17 July 2020 to  
31 March 2021**

Rental and maintenance income derived from investment property	1,306.28
Less: Direct operating expenses generating rental income*	<u>(290.39)</u>
Profit arising from investment property before depreciation and indirect expenses	<u><b>1,015.89</b></u>

\* No direct operating expenses have been incurred during the reporting period that did not generate rental income.

**(vii) Reconciliation for total depreciation expense:**

Total depreciation on property, plant and equipment for the period	2.64
Total depreciation on investment property for the period	314.68
Less:- Depreciation during the construction period on site assets - capitalised	(0.09)
Less:- Depreciation during the construction period on Right of use (leasehold land)	<u>(0.48)</u>
<b>Depreciation expense for the period</b>	<u><b>316.75</b></u>

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	<b>As at</b>
	<b>31 March 2021</b>
<b>5 Non current financial assets - Loans</b>	
(Unsecured and considered good)	
Security deposits	517.38
	<u>517.38</u>
Loans receivables considered good - Secured	-
Loans receivables considered good - Unsecured	517.38
Loans receivables which have significant increase in credit risk	-
Loans receivables - credit impaired	-
	<b>As at</b>
	<b>31 March 2021</b>
<b>6 Non current financial assets - Other</b>	
(Unsecured and considered good)	
Fixed deposits with banks*	257.53
Interest accrued but not due on fixed deposits with banks	1.50
Lease rent equalization**	22.80
	<u>281.83</u>
* These fixed deposits are of restricted use being lien against debt service reserve account, bank guarantees given to various authorities and given as security for sales tax registration.	
**Lease rent equalization are classified as Financial assets as right to consideration is unconditional and is due only after passage of time.	
	<b>As at</b>
	<b>31 March 2021</b>
<b>7 Non-current tax assets (net)</b>	
Advance income tax	1,407.42
	<u>1,407.42</u>
	<b>As at</b>
	<b>31 March 2021</b>
<b>8 Other non-current assets</b>	
(Unsecured and considered good)	
Capital advances	21.14
Prepaid expenses	5.96
Balance recoverable from government authorities	10.94
	<u>38.04</u>
	<b>As at</b>
	<b>31 March 2021</b>
<b>9 Current financial assets - Trade receivables</b>	
Trade receivables considered good - unsecured	204.35
Trade receivables - credit impaired	49.10
Less: loss allowance	(49.10)
	<u>204.35</u>
	<b>As at</b>
	<b>31 March 2021</b>
<b>10 Current financial assets - Cash and cash equivalents</b>	
Balance with banks :	
- in current account	1,132.32
- in deposit account (with original maturity of 3 months or less)	590.00
- in escrow account*	1,432.87
	<u>3,155.19</u>

\* Represents the balance Rs. 1,432.87 million from proceeds of initial public offer of Brookfield India REIT Units (Total proceeds Rs. 38,000.00 million). These amounts are held in the escrow account can be withdrawn for certain specific purposes.

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		<b>As at</b>
		<b>31 March 2021</b>
<b>11 Other bank balances</b>		
Deposit account with original maturity of more than 3 months and upto 12 months*		150.65
		<u>150.65</u>
<p>* These fixed deposits includes Rs. 31.04 million are of restricted use being lien against bank guarantees given to various authorities and Rs.29.60 million being lien marked in favor of lender for existing loan facility for DSRA requirement.</p>		
		<b>As at</b>
		<b>31 March 2021</b>
<b>12 Current financial assets - Loans</b>		
(Unsecured and considered good)		
<b>To parties other than related parties</b>		
Security deposits		0.01
(Unsecured and considered doubtful)		
Advances to vendors		0.36
Less: loss allowance		(0.36)
		<u>0.01</u>
Loans receivables considered good - secured		-
Loans receivables considered good - unsecured		0.01
Loans receivables which have significant increase in credit risk		0.36
Loans receivables - credit impaired		-
Less: loss allowance		(0.36)
		<u>0.01</u>
		<b>As at</b>
		<b>31 March 2021</b>
<b>13 Current financial assets - Other</b>		
(Unsecured and considered good)		
<b>To parties other than related parties</b>		
Unbilled revenue*		79.63
Interest accrued but not due on fixed deposits with banks		1.94
Lease rent equalization*		1.64
Other receivables		77.93
<b>To related parties (refer note 41)</b>		
Other receivables		1.99
		<u>163.13</u>
<p>*Classified as financial assets as right to consideration is unconditional and is due only after passage of time.</p>		
		<b>As at</b>
		<b>31 March 2021</b>
<b>14 Other current assets</b>		
(Unsecured and considered good)		
Advances to vendors		31.36
Prepaid expenses		32.02
Balance recoverable from government authorities		93.93
		<u>157.31</u>

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**15 Unit Capital**

Particulars	No. of Units	Amount
<b>As at 17 July 2020</b>	-	-
Units issued during the period		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	138,181,800	38,000.00
- in exchange for equity interest in SPVs (refer note iii below)	127,892,403	35,170.41
- in exchange for 12% Compulsorily Convertible Debenture in Candor Kolkata	36,727,398	10,100.03
Less: Issue expenses (refer note below)	-	(1,495.66)
<b>Closing balance as at 31 March 2021</b>	<b>302,801,601</b>	<b>81,774.78</b>

Note: Issue expenses pertaining to the Initial Public Offering (IPO) of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at 31 March 2021 in accordance with Ind AS 32 - Financial Instruments: Presentation.

**(a) Terms/ rights attached to Units and accounting thereof**

(i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Board of Directors of the Investment Manager approves dividend distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays dividends in Indian Rupees.

Under the provisions of the REIT Regulations, Brookfield India REIT is required to distribute to Unitholders not less than 90% of the net distributable cash flows of Brookfield India REIT for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Brookfield India REIT to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unit Capital have been presented as "Equity" in order to comply with the requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

(ii) Initial Public Offering of 138,181,800 Units for cash at price of Rs. 275 per Unit aggregating to Rs. 38,000.00 million.

(iii) Brookfield India REIT acquired the SPVs by acquiring all the equity interest held by our Sponsor and certain members of our Sponsor Group. The acquisition of equity interest in the SPVs has been done by issue of 127,892,403 Units of Rs. 275 each as per the table below.

Name of SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs		
	Sponsor	Sponsor Group (excluding Sponsor)	Total
Candor Kolkata	54,117,888	16,364	54,134,252
Festus	-	31,474,412	31,474,412
SPPL Noida	-	41,483,012	41,483,012
CIOP	-	800,727	800,727
<b>Total number of Units issued</b>	<b>54,117,888</b>	<b>73,774,515</b>	<b>127,892,403</b>

**(b) Unitholders holding more than 5 percent Units in the Trust**

Name of Unitholders	No. of Units	% of holdings
BSREP India office Holdings V Pte. Ltd.	54,117,888	17.87%
BSREP India Office Holdings Pte Ltd.	41,499,373	13.71%
BSREP India Office Holdings III Pte. Ltd.	36,727,398	12.13%
BSREP II India Office Holdings II Pte. Ltd.	28,086,775	9.28%

(c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of registration till the balance sheet date. Further, the Trust has not issued any units for consideration other than cash from the date of registration till the balance sheet date, except as disclosed above.

**16 Other Equity\***

**As at**  
**31 March 2021**

Particulars	
<b>Reserves and Surplus</b>	
Retained earnings	252.75
	<b>252.75</b>

\*Refer Consolidated Statement of Changes in Unitholders' Equity for detailed movement in other equity balances.

**Retained earnings**

The cumulative gain or loss arising from the operations which is retained by the Brookfield India REIT is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit/(loss) after tax is transferred from the Statement of Profit and Loss to the retained earnings account.



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**17 Non-current financial liabilities - Borrowings**

**Secured**

Term loan from financial institutions

21,015.17

**Total Borrowings**

21,015.17

**(a) Terms for secured loan**

As at 31 March 2021

**(i) HDFC Limited (balance as at 31 March 2021 : Rs. 12,491.75 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting & Line of Credit Interest @ PLR (-)spread (Term : 12 Year)	The term loan is secured by way of charge on hypothecation of receivables, movable assets, insurance policies, lease agreement, bank accounts, mortgage on immovable properties including land and pledge of 51% of share capital of the Candor Kolkata on fully diluted basis.	Principle repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 84 monthly instalments comprising of principle repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principle of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 110.67 million, (b) Cash and cash equivalents - Rs. 1,197.50 million (c) Property, plant and equipment -Rs. 65.19 million and (d) Investment property - Rs. 18,992.16 million.

**(ii) HDFC Limited (balance as at 31 March 2021 : Rs. 2,077.76 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting & Line of Credit Interest @ PLR (-)spread (Term : 12 Year)	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties, pledge of shares of the SPPL Noida held by the holding company, charge on bank accounts and insurance policies, escrow on receivables of the Company, demand promissory note in favour of the lender.	Principle repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 84 monthly instalments comprising of principle repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principle of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - Rs. 46.90 million, (b) Cash and cash equivalents - Rs. 144.09 million ,(c) Property, plant and equipment -Rs. 18.88 million and (d) Investment property - Rs. 8,339.58 million.

**(iii) HDFC Limited (balance as at 31 March 2021 : Rs. 6,445.66 million)**

Nature of Loan	Security	Terms of repayment
Lease rent discounting Interest @ CPLR (-) spread (Term : 12 Year)	The term loan is secured by charge on immovable assets (including buildings), bank accounts, insurance policies, receivables, underlying land for which rights owned by the Company and demand promissory note in favour of the lender. Further term loan is secured by pledge, to be created on shares of the Company constituting 51% of the issued and outstanding equity share capital.	Principle repayment: Upon completion of 60 months from the first drawdown date, the LRD facility shall be repaid in 84 monthly instalments comprising of principle repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principle of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

Prime lending rate (PLR)

Note - The carrying value of assets pledged against secured loans is : (a) Trade receivables - Rs. 46.78 million, (b) Cash and cash equivalents - Rs. 60.50 million ,(c) Property, plant and equipment -Rs. 28.17 million and (d) Investment property - Rs. 16,039.89 million.

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(b) **Changes in liabilities arising from financing activities**

Particulars	From 17 July 2020 to 31 March 2021
<b>Opening balance (Debts &amp; Lease liability)</b>	-
Acquired on assets acquisition	56,987.28
<b>Cash movement</b>	
Additional borrowing during the period	21,200.00
Repayment during the period	(56,876.43)
Finance cost paid during the period	(592.85)
<b>Non cash movement</b>	
Finance cost (accrued) refer note 29	414.02
Other non cash changes in finance cost	(19.31)
<b>Closing balance (Debts &amp; Lease liability)</b>	<b>21,112.71</b>

	As at 31 March 2021
<b>18 Non-current financial liabilities - others</b>	
Security deposit from lessee	1,393.07
Retention money	19.20
Lease liabilities	87.12
	<b>1,499.39</b>
	As at 31 March 2021
<b>19 Long-term provisions</b>	
Provision for gratuity	10.86
	<b>10.86</b>
	As at 31 March 2021
<b>20 Other non-current liabilities</b>	
Deferred income	318.67
Contract liability*	67.80
	<b>386.47</b>
	As at 31 March 2021
<b>21 Current financial liabilities - Trade payables</b>	
Total outstanding dues to micro enterprises and small enterprises	1.09
Total outstanding dues to creditors other than micro enterprises and small enterprises*	444.41
	<b>445.50</b>
	As at 31 March 2021
<b>22 Current - Other financial liabilities</b>	
Security deposit from lessee	2,337.00
Retention money	136.30
Capital creditors	293.37
Employee related payables	11.51
Lease liabilities	10.42
Other payables	1,215.61
	<b>4,004.21</b>

\* During the half year ended 31 March 2021, Candor Kolkata One Hi-Tech Structures Private Limited entered into a Joint Development Agreement with Gurgaon Infospace Limited (GIL) by which GIL will pay Rs. 1,000 million in various tranches commencing January 2021 to October 2023 for the development/construction of building used for commercial and retail purposes on certain land parcels, the title of which is held by Candor Kolkata One Hi-Tech Structures Private Limited. Under the said agreement, Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%. The amount received during the period ended 31 March 2021 of Rs. 80 million (inclusive GST of Rs. 12.20 million) is presented as contract liability.

\*For balance payable to related parties, refer note 41

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	As at 31 March 2021
<b>23 Short term provisions</b>	
Provision for gratuity	0.08
Provision for compensated absences	4.41
	<hr/> <b>4.49</b> <hr/>
	As at 31 March 2021
<b>24 Other current liabilities</b>	
Advance from customers	42.49
Statutory dues payable	177.66
Deferred income	168.29
Other payables	7.57
	<hr/> <b>396.01</b> <hr/>

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Particulars	From 17 July 2020 to 31 March 2021
<b>25 Revenue from operations</b>	
<b>Sale of services</b>	
Income from operating lease rentals *	943.40
Income from maintenance services	362.88
	<u>1,306.28</u>
<b>Sale of products</b>	
Sale of food and beverages	2.90
Others	0.24
<b>Total revenue from operations</b>	<u>1,309.42</u>
* Assets given on operating lease	
<b>26 Other Income</b>	
<b>Interest income from financial assets at amortized cost</b>	
Interest income on fixed deposits 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
	<u>51.65</u>
<b>27 Cost of materials consumed</b>	
Opening stock	-
Add: purchases during the period	2.24
Add: Others	0.24
Less: Closing stock	-
	<u>2.48</u>
<b>28 Employee benefits expense</b>	
Salaries, wages and bonus	25.32
Contributions to provident fund	1.41
Gratuity expense*	1.08
Compensated absences*	0.29
	<u>28.10</u>
* Refer note 42	
<b>29 Finance Costs</b>	
<b>Interest and finance charges on financial liabilities at amortized cost</b>	
Interest on term loan	289.04
Interest on non-convertible bonds	0.76
Interest on lease liability	1.57
<b>Others</b>	
Other borrowing costs	122.65
	<u>414.02</u>
Less: Transferred to investment property under development	(3.25)
	<u>410.77</u>

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Particulars	From 17 July 2020 to 31 March 2021
<b>30 Depreciation and amortization expenses</b>	
- on property plant and equipment and intangible assets	2.55
- on investment property	314.20
	<b>316.75</b>
<b>31 Other expenses</b>	
Property management fees	55.01
Power and fuel	92.48
Repair and maintenance	99.31
Insurance	4.64
Legal and professional expense	55.16
Audit fees (refer note "a" below)	17.64
Rates and taxes	20.00
Brokerage	0.05
Facility usage fees	5.46
Lease rent	0.90
Credit Impaired	23.32
Allowance for credit loss	0.05
Advances written off	1.27
Corporate social responsibility expenses	1.97
Property, plant and equipment written off	0.15
Miscellaneous expenses	68.14
	<b>445.55</b>
<b>a) Details of remuneration to auditors</b>	
As auditor (on accrual basis, excluding applicable taxes)	
- for statutory audit	17.64
- for reimbursement of expenses	-
	<b>17.64</b>
<b>32 Tax expense (Refer note 43)</b>	
Current tax	
-for current period	0.44
-for earlier years	18.89
Deferred tax charge / (credit)	(122.93)
	<b>(103.60)</b>

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**33 Contingent liabilities**

<b>Particulars</b>	<b>As at 31 March 2021</b>
Claims against the SPVs not acknowledged as debt in respect of Income-Tax matters (Refer note 1 below)	776.80
Claims against the SPVs not acknowledged as debt in respect of Indirect tax { VAT/Work contract/Entry tax } (Refer note 2 below)	2.67
<b>Grand Total</b>	<b>779.47</b>

<b>Note 1</b>	<b>As at 31 March 2021</b>
Candor Kolkata One Hi-Tech Structures Private Limited	762.54
Shantiniketan Properties Private Limited	14.26
<b>Total</b>	<b>776.80</b>

Contingent liabilities as at 31 March 2021 includes penalty amounting to Rs. 485.38 million in relation to disallowance of settlement fees paid in earlier years for termination of contract. Other contingencies include Rs. 291.42 million relating to other disallowances under the Income Tax Act, 1961.

The tax officer has set-off certain tax refund claimed in Income tax returns against these demands.

<b>Note 2</b>	<b>As at 31 March 2021</b>
Shantiniketan Properties Private Limited *	2.67
<b>Total</b>	<b>2.67</b>

\* The Company has given a bank guarantee of Rs. 1 million to Member Secretary UP Pollution Control Board.

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**34 Commitments**

<b>Particulars</b>	<b>As at 31 March 2021</b>
Capital commitments (net of advances)	327.47

**The SPV wise details of capital commitments are as follows:**

Candor Kolkata One Hi-Tech Structures Private Limited	59.19
Shantiniketan Properties Private Limited	268.28
	<u><u>327.47</u></u>

**Other commitments**

Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as "Candor Gurgaon Two Developers & Projects Private Limited"; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. 01 April 2017) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the property pursuant to a Joint Development Agreement (JDA) with GIL entered on 16 November 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.

In supplement to earlier JDA, a new co-development agreement was entered into between GIL (the developer) and Candor Kolkata One Hi-Tech Structures Private Limited (the co-developer) on 17 September 2007 as amended from time to time under which the developer and co-developer will jointly carry out the process of installation of fit-outs & fixtures and the cost of such installation shall be shared by the developer and co-developer in the same ratio as to sharing of gross proceeds i.e. 28% and 72% respectively. This agreement is accounted as joint operations as per Ind AS 111.

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**35 Financial instruments – Fair values and risk management**

**i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. There are no financial instruments, which are subsequently measured at fair value.

	Carrying value	Fair value
	As at 31 March 2021	As at 31 March 2021
<i>At Amortized Cost</i>		
<b>Financial assets</b>		
Trade receivables #	204.35	204.35
Cash and cash equivalents #	3,155.19	3,155.19
Other bank balances #	150.65	150.65
Loans #	517.39	517.39
Other financial assets #	444.96	444.96
<b>Total financial assets</b>	<b>4,472.54</b>	<b>4,472.54</b>
<i>At Amortized Cost</i>		
<b>Financial liabilities</b>		
Borrowings #	21,015.17	21,015.17
Trade payables #	445.50	445.50
Other financial liabilities # @	5,406.06	5,406.06
<b>Total financial liabilities</b>	<b>26,866.73</b>	<b>26,866.73</b>

# fair value of financial assets and financial liabilities which are recognized at amortized cost has been disclosed to be same as carrying value as the carrying value approximately equals to their fair value.

@ other financial liabilities exclude Rs. 97.54 million as of 31 March 2021 , towards lease liabilities.



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**36. Financial risk management**

**i. Risk management framework**

The Board of directors of the Manager has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management framework. The committee reports regularly to the board of directors on its activities.

The Group's risk management framework are established to identify and analyse the key risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. the Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk management committee oversees compliance with the Group's risk management framework and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The risk management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to The Board of directors of the Manager.

The Group's financial risk management is carried out by a treasury department (Group's treasury). the Group's treasury identifies, evaluates and hedges financial risks.

**ii. Credit risk**

Credit risk is the risk of the financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group ensures through appropriate background checks that the office premises are leased to parties of repute and of good credit standing only. It has also taken refundable interest free security deposits equivalent to 3-6 months of lease rentals from its customers. Further Management also monitors its receivables on a monthly basis and does not expect any default of its trade receivables. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks. However, the maximum amount exposed to credit risk is limited to amount disclosed in financial statements.

Movement in loss allowance for trade receivables during the period, which is primarily on account of tax recovery as summarised below:

	<b>From 17 July 2020 to 31 March 2021</b>
Balance at the beginning of the period	49.05
Loss allowance created/ (reversed) during the period	0.05
<b>Balance at the end of the period</b>	<b>49.10</b>

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**iii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities. The Group seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses.

Consequently, the Group believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Group projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2021	Carrying amount	Contractual cash flows			
		Total	0 -1 years	1 -5 years	Above 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings					
- Term loans (including current maturities and interest accrued)	21,015.17	35,444.14	1,515.80	6,109.90	27,818.44
Trade payables	445.50	445.50	445.50	-	-
Other financial liabilities (excluding current maturities of term loan)	5,503.60	7,108.51	4,679.10	1,649.57	779.84

The Group has undrawn borrowing facilities amounting to Rs. 2,800.00 million with following expiry:

Particulars	Expiring within			
	Total	0 -1 years	1 -5 years	Above 5 years
As at 31 March 2021	2,800.00	-	2,800.00	-

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**iv. Market risk**

the Group is exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals) that will affect the Group's income or expense or the value of its holdings of financial instruments.

**a) Currency risk**

the Group's exposure to foreign currency risk is mainly on account of imports of capital goods, which is not material in proportion to the total expenses incurred by the Group.

There are no foreign currency receivable/payable as at 31 March 2021.

**b) Interest rate risk**

the Group is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments as well as on the refinancing of fixed rate instrument. the Group's borrowings are principally denominated in Indian Rupees.

The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Cash flow sensitivity analysis for variable-rate instruments**

The Group has Borrowings with variable-rate of interest amounting to Rs. 21,015.17 million. A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts shown below are net off borrowing cost capitalisation of Rs. 1.68 million using capitalisation rate of respective year.

<b>Rs. million</b>	<b>Profit/ (Loss)</b>
	<b>100 bp increase</b>
<b>31 March 2021</b>	
Variable-rate instruments	(208.49)
<b>Cash flow sensitivity (net)</b>	<b>(208.49)</b>

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**37 Segment reporting**

a) Ind AS 108 establishes requirements to identify the operating segment and related disclosures, basis how the Chief Operating Decision Maker ('CODM') evaluates the performance and allocates resources to different segments. Based on an analysis of Brookfield India REIT structure and powers conferred to the Manager to REIT, the Governing Board of the Manager (Brookprop Management Services Private Limited) has been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Group is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

b) Customer A represented 17.18%, Customer B represented 16.18% and Customer C represented 10.71% of revenues for the period ended 31 March 2021.

**Additional financial disclosures as required under para 4 of SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016**

**38 Statement of Property wise rental/Operating income**

S.No	Entity and Property name	Property Address	Location	Nature of Income	From 17 July 2020 to 31 March 2021
1	Candor Kolkata One Hi-Tech Structures Private Limited	Candor TechSpace IT/ITES SEZ, Dundahera, Sector-21 Gurgaon, Haryana-122016	Gurgaon	Rental income and other operating income	555.41
2	Candor Kolkata One Hi-Tech Structures Private Limited	IT/ITES SEZ, Candor TechSpace, Action Area- 1 D, New Town, Rajarhat, Kolkata-700156	Kolkata	Rental income and other operating income	306.70
3	Shantiniketan Properties Private Limited	IT/ITES Park, Candor TechSpace, Institutional Plot No B/2 - 62, Sector 62 , NOIDA, Uttar Pradesh- 201309	Noida	Rental income and other operating income	175.68
4	Festus Properties Private Limited	Kensington A and B, IT / ITES, Kensington SEZ Building, Hiranandani Business Park, Powai Mumbai, Mumbai City, Maharashtra-400076	Mumbai	Rental income and other operating income	271.63
5	Candor India Office Parks Private Limited	F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizza Hut, Kandivali (W), Mumbai-400067	Mumbai	Property management fees	-
<b>Total</b>					<b>1,309.42</b>

**39 Earnings Per Unit (EPU)**

Basic EPU amounts are calculated by dividing the profit for the period/ year attributable to Unitholders by the weighted average number of units outstanding during the period/ year. Diluted EPU amounts are calculated by dividing the profit attributable to Unitholders by the weighted average number of units outstanding during the period/ year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The Units of the Trust were allotted on 08 February 2021 and 11 February 2021.

Particulars	From 17 July 2020 to 31 March 2021
Profit/(Loss) after tax for calculating basic and diluted EPU	253.03
Weighted average number of Units (Nos.)	59,423,015
Earnings Per Unit	
-Basic (Rupees/unit)	4.26
-Diluted (Rupees/unit)*	4.26

\* The Trust does not have any outstanding dilutive units.

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**40 Capitalization Statement**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital structure mainly constitutes equity in the form of unit capital and debt. The projects of SPVs are initially funded through construction financing arrangements. On completion, these loans are restructured into lease-rental discounting arrangements or debentures. The Group's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position. The Group monitors Capital using ratio of 'Net debt' to 'Gross asset value (GAV)' of all SPVs. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings. The Group's adjusted Net debt to GAV ratio as at March 31, 2021 is as follows:

<b>Particulars</b>	<b>As at 31 March 2021</b>
Borrowings	21,015.17
Lease Liability	97.54
Gross debt	<u>21,112.71</u>
Less : Cash and cash equivalents	<u>(3,155.19)</u>
<b>Adjusted Net debt</b>	<b><u>17,957.52</u></b>
Unitholders' Funds	
-Unit capital	81,774.78
-Other equity	252.75
<b>Total Shareholder's funds</b>	<b><u>82,027.53</u></b>
<b>Debt/Equity Ratio</b>	<b>0.22</b>

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**41 Related Party Disclosures**

**A. Parties to Brookfield India REIT as at 31 March 2021**

BSREP India Office Holdings V Pte Ltd- Sponsor  
Brookprop Management Services Private Limited - Investment Manager  
Axis Trustee Services Limited—Trustee

**The Ultimate parent entity and sponsor groups, with whom the group has related party transactions during the period, consist of the below entities:**

**BSREP India Office Holdings V Pte Ltd- Sponsor**

- a) BSREP II India Office Holdings II Pte. Ltd. (BSREP II India)
- b) Brookfield Asset Management Inc. (BAM) , ultimate parent entity and controlling party
- c) Kairos Property Managers Private Limited (Kairos)
- d) BSREP Moon C1 L.P
- e) BSREP Moon C2 L.P
- f) BSREP India Office Holdings III Pte Ltd. (BSREP India Office III)
- g) BSREP India Office Holdings Pte. Ltd. (BSREP India Holdings)

Brookfield India REIT's interests in subsidiaries are set out in note 1"- Organization structure.

**Directors & Key personnel of the Investment Manager (Brookprop Management Services Private Limited)**

**Directors**

Akila Krishnakumar (Independent Director)  
Shailesh Vishnubhai Haribhakti (Independent Director)  
Anuj Ranjan (Non-Executive Director)  
Ankur Gupta (Non-Executive Director)

**Key personnel**

Alok Aggarwal - Managing director and chief executive officer – India office business  
Sanjeev Kumar Sharma - Executive vice president and chief financial officer – India office business

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**41 B. Related party transactions:**

Nature of transaction/ Entity's Name	From 17 July 2020 to 31 March 2021
<b>Trustee Fee Expense</b>	
- Axis Trustee Services Limited	2.21
<b>Total</b>	<b>2.21</b>
<b>Reimbursement of expense incurred by (excluding GST)</b>	
- Brookprop Management Services Private Limited	253.25
- BSREP India Office Holdings V Pte Ltd	168.07
- Kairos Property Managers Pvt Ltd	0.05
<b>Total</b>	<b>421.37</b>
<b>Reimbursement of expense incurred on behalf of (excluding GST)</b>	
- Mountainstar India Office Parks Private Limited	1.24
<b>Total</b>	<b>1.24</b>
<b>Issue of Unit Capital</b>	
- BSREP India office Holdings V Pte. Ltd.	14,882.42
- BSREP India Office Holdings Pte Ltd.	11,412.33
- BSREP India Office Holdings III Pte. Ltd.	10,100.03
- BSREP II India Office Holdings II Pte. Ltd.	7,723.86
- Kairos Property Managers Pvt Ltd	931.60
- BSREP Moon C1 LP	220.18
- BSREP Moon C2 LP	0.02
<b>Total</b>	<b>45,270.44</b>
<b>12% Unsecured Non convertible debentures repaid</b>	
- BSREP II India Office Holdings III Pte. Ltd.	256.00
<b>Total</b>	<b>256.00</b>
<b>Interest expense on Unsecured Non convertible debentures</b>	
- BSREP II India Office Holdings III Pte. Ltd.	0.76
<b>Total</b>	<b>0.76</b>
<b>Internet &amp; Connectivity Charges</b>	
- Technology Service Group LLC	2.52
<b>Total</b>	<b>2.52</b>
<b>Property management fees</b>	
- Brookprop Management Services Private Limited	24.91
- Kairos Property Managers Private Limited	2.69
<b>Total</b>	<b>27.60</b>
<b>Compensation to key management personnel</b>	
- Short-term employee benefits	1.40
- Post-employment benefits*	-
- Other long-term benefits	0.06
<b>Total</b>	<b>1.46</b>
<b>Provision for Gratuity and compensated absences transfer to</b>	
- Brookprop Management Services Private Limited	3.26
- Arliga India Office Parks Private Limited	0.30
- Equinox Business Parks Pvt Ltd	0.23
- Vrihis Properties Pvt Ltd	0.05
<b>Total</b>	<b>3.84</b>
<b>Provision for Gratuity and compensated absences transfer from</b>	
- Equinox Business Parks Pvt Ltd	0.18
- Kairos Property Managers Pvt Ltd	0.24
- Vrihis Properties Pvt Ltd	0.19
<b>Total</b>	<b>0.61</b>

\*As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the respective SPV as a whole, the said liabilities pertaining specifically to KMP are not known for current period and hence, not included here .

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<b>Outstanding balances</b>	<b>As at</b>
	<b>31 March 2021</b>
<b>Trade Payable (excluding GST)</b>	
- Axis Trustee Services Ltd	1.88
- Brookprop Management Services Private Limited	0.61
<b>Total</b>	<b>2.49</b>
<b>Other Payable (excluding GST)</b>	
- Brookprop Management Services Private Limited	55.35
- BSREP India Office Holdings V Pte Ltd	168.07
<b>Total</b>	<b>223.42</b>
<b>Other receivables</b>	
- Mountainstar India Office Parks Private Limited	1.99
<b>Total</b>	<b>1.99</b>
<b>Vendor Advance-Others (net of withholding tax)</b>	
- Technology Service group LLC	17.23
<b>Total</b>	<b>17.23</b>



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**42. Employee benefits**

**a) Defined contribution plan:**

The Group makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized Rs. 1.41 million for Provident Fund contributions, in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

**b) Defined benefit obligation**

i. Gratuity (included in Note 28 Employee benefits expense)

**1) Reconciliation of opening and closing balances of the present value of defined benefit obligation:**

Particulars	From 17 July 2020 to 31 March 2021
	Rs.
<b>Change in defined benefit obligations (DBO) during the period</b>	
Present value of DBO at the beginning of the period	9.49
Current service cost	0.94
Interest Cost	0.16
Net actuarial (Gain)/ loss recognized in the period	0.35
<b>Present value of DBO at the end of the period/year</b>	<b>10.94</b>

**2) Reconciliation of present value of defined benefit obligations & fair value of plan assets:**

Particulars	As at 31 March 2021
	Rs.
Present value of defined benefit obligation at the period/year end	10.94
Plan assets at the year end, at fair value	-
<b>Net liability recognised in the balance sheet</b>	<b>10.94</b>

**3) Net employee benefit expense (recognized in Employee benefits expense) for the period ended 31 March 2021**

Particulars	From 17 July 2020 to 31 March 2021
	Rs.
<b>Components of employer's expense</b>	
Current service cost	0.93
Past Service cost	-
Interest Cost	0.15
<b>Defined benefit cost recognized in the Statement of Profit and Loss</b>	<b>1.08</b>

**4) Amount recognized in Other Comprehensive Income for the period ended 31 March 2021**

Particulars	From 17 July 2020 to 31 March 2021
	Rs.
Net cumulative unrecognized actuarial (gain)/ loss opening	-
Actuarial (gain) / loss for the period/year on PBO	0.35
Actuarial (gain) /loss for the period/year on Asset	-
<b>Unrecognized actuarial (gain)/ loss at the end of the period</b>	<b>0.35</b>

## 5) Actuarial assumptions

### Economic Assumptions

-The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

-The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

	As at 31 March 2021
Discount rate	6.79%
Future Salary escalation	8.00
Expected return on plan assets	-

### Demographic Assumption

Retirement age (Years)	60.00
Mortality Table	IALM (2012-14)

### Attrition at ages

	Withdrawal Rate (%)
Up to 30 Years	3.00
From 31 to 44 years	2.00
Above 44 years	1.00

## 6) Sensitivity Analysis of defined benefit obligation

a) Impact of Change in discount rate	Impact due to increase of 0.5%	Impact due to decrease of 0.5%
Present Value of Obligation at the end of the period/year	(0.73)	0.80

b) Impact of Change in Salary Increase	Impact due to increase of 0.5%	Impact due to decrease of 0.5%
Present Value of Obligation at the end of the period/year	0.68	(0.65)

7) The Group expects to pay Rs. 5.22 million in contributions to defined benefit plans in the next year.

## 8) The following payments are expected from defined benefit obligation in future years:

Particulars	As at 31 March 2021
Within the next 12 months	0.08
Between 2 and 5 years	1.68
Beyond 5 years	9.18
<b>Total expected payments</b>	<b>10.94</b>

### Other Long term employee benefits

During the period ended 31 March 2021 the Group has incurred an expense on compensated absences amounting to Rs. 0.29 million. The Group determines the expense for compensated absences basis the actuarial valuation of present value of obligation, using the Projected Unit Credit method.

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43. Tax expense

(a) Amounts recognised in Statement of Profit and Loss

	From 17 July 2020 to 31 March 2021
<b>(a) Income tax expense</b>	
Current tax	
-for current period	0.44
-for earlier years	18.89
<b>Total current tax expense</b>	<b>19.33</b>
Deferred tax	
(i) Origination and reversal of temporary differences	(122.93)
(ii) Minimum alternate tax credit	
-for the period	-
-for earlier years	-
<b>Deferred tax expense</b>	<b>(122.93)</b>
<b>Tax expense for the period</b>	<b>(103.60)</b>
<b>(b) Amounts recognized in other comprehensive income</b>	
<b>Deferred income tax liability / (asset), net</b>	
(i) Net (gain)/ loss on remeasurment of define benefit plans	0.07
<b>Tax expense charged in other comprehensive income for the period</b>	<b>0.07</b>

(c) Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate)

Particulars	From 17 July 2020 to 31 March 2021
<b>Profit before tax</b>	149.43
Tax at the rates applicable to the respective entities	112.59
<b>Tax effect of:</b>	
Deferred tax assets not recognised because realisation is not probable	51.44
Effect of exempt income	(308.78)
Tax for earlier years	18.89
Effect of non-deductible expenses	43.61
Effect of initial recognition exception	58.08
Others	(79.43)
<b>Tax expense for the period</b>	<b>(103.60)</b>

(d) Deferred tax liabilities (net)

Particulars	Net balance as at 08 February 2021	Recognised in profit or loss	Recognized in other comprehensive income	Net balance as at 31 March 2021	Deferred tax asset as at 31 March 2021	Deferred tax liability as at 31 March 2021
<b>Deferred tax assets (Liabilities)</b>						
Investment property	-	(95.32)	-	(95.32)	-	(95.32)
Borrowings	-	44.20	-	44.20	44.20	-
Unabsorbed depreciation	1,553.37	175.69	-	1,729.06	1,729.06	-
MAT credit entitlement	964.86	-	-	964.86	964.86	-
Others	-	(1.64)	0.07	(1.57)	-	(1.57)
<b>Tax assets (Liabilities)</b>	<b>2,518.23</b>	<b>122.93</b>	<b>0.07</b>	<b>2,641.23</b>	<b>2,738.12</b>	<b>(96.89)</b>

The Group has recognised deferred tax asset of Rs. 1,729.06 million on unabsorbed depreciation and Rs. 964.86 million on MAT credit entitlement, considering the deferred tax liability on temporary differences that will reverse in the future and estimated taxable income for future years.

As at 31 March 2021, unrecognized deferred tax assets amounting to Rs 565.75 millions on unabsorbed interest u/s 94B of Income Tax Act 1961, Rs. 15.71 million on business loss and Rs.396.99 million on unabsorbed depreciation, has been detailed below. The deferred tax asset has not been recognized on the basis that its recovery is not considered probable in the foreseeable future.

Deductible temporary differences on which deferred tax asset is not recognised:

March 31,	Particulars	Amounts (Rs in millions)	Deferred tax asset (Rs in millions)
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	125.68	36.98
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	147.59	43.52
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	317.92	93.28
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	1,186.20	391.97
2029	Unabsorbed business losses	53.96	15.71
Indefinite life period	Unabsorbed depreciation	1,363.30	396.99

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. It also depends on availability of taxable temporary differences when the deductible temporary differences are expected to reverse.

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**44 Uncertainty relating to the global health pandemic on COVID-19:**

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 at the date of approval of these 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 at the date of approval of these Consolidated Financial Statements.

**45 Assets Acquisition**

On 8 February 2021 (the acquisition date), Brookfield India REIT acquired 100% of the equity interest and compulsorily convertible debentures of four SPVs as described in more detail in Note 1 - Organization structure; in exchange for units of Brookfield India REIT amounting to Rs. 45,270.45 Million (the "Purchase consideration").

The management applied the optional concentration test, under Ind AS 103, and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in investment properties, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition.

The management identified and recognised the individual identifiable assets acquired and liabilities assumed; and allocated the purchase consideration to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition.

The allocated value of the identifiable assets and liabilities of the four SPVs as at the date of acquisition were:

<b>Assets</b>	<b>Amount (in million)</b>
Property, plant and equipment	98.22
Investment property	100,378.03
Investment property under development	723.34
Other assets	6,848.43
<b>Total Assets (A)</b>	<b>108,048.02</b>
<b>Liabilities</b>	
Borrowings (including current maturities of long term borrowings)	56,776.42
Other liabilities	6,001.16
<b>Total Liabilities (B)</b>	<b>62,777.58</b>
<b>Net Assets (A – B)</b>	<b>45,270.44</b>

**46 Management fee**

**Property Management Fees**

Pursuant to the Candor Amended and Restated Service Agreement dated 01 December 2020, Investment Manager is entitled to a yearly fees @ 3% of the income from operating lease rentals as recorded in the books of accounts of SPPL Noida and Candor Kolkata, payable on a monthly basis, exclusive of applicable taxes. The fees has been determined for providing real estate operating services to CIOP in relation to the Operational Services rendered by it with respect to SPPL Noida and Candor Kolkata. The said Management fees for the half year and period ended 31 March 2021 amounts to Rs. 19.04 million.

Pursuant to the Festus Service Agreement dated 01 December 2020, Investment Manager is entitled to a yearly fee of 3% of the income from operating lease rentals as recorded in the books of accounts of Festus, payable on a monthly basis, exclusive of applicable taxes. The fees has been determined for providing real estate operating services to Festus in relation to the management and operation of the Kensington and any other properties developed by Festus from time to time ("Festus Properties"). The said Management Fees for the half year and period ended 31 March 2021 amounts to Rs. 5.87 million.

**REIT Management Fees**

Pursuant to the Investment Management Agreement dated 17 July 2020, Investment Manager is entitled to fees @ 1% of NDCF, exclusive of applicable taxes (also refer Note 48). The fees has been determined for undertaking management of the REIT and its investments.

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**47 Details of utilisation of proceeds of IPO are as follows:**

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2021	Unutilised amount as at 31 March 2021
Partial or full pre-payment or scheduled repayment of the existing indebtedness of our Asset SPVs	35,750.00	35,750.00	-
General purposes	350.00	350.00	-
Issue expenses	1,900.00	288.13	1,611.87
<b>Total</b>	<b>38,000.00</b>	<b>36,388.13</b>	<b>1,611.87</b>

**48 Distribution Policy**

In terms of the Distribution policy and REIT Regulations, not less than 90% of the NDCFs of our Asset SPVs are required to be distributed to Brookfield REIT, in proportion of its shareholding in our Asset SPVs, subject to applicable provisions of the Companies Act. The cash flows receivable by Brookfield REIT may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from our Asset SPVs/ CIOP, sale proceeds out of disposal of investments of any or assets directly/ indirectly held by Brookfield REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the applicable laws.

At least 90% of the NDCFs of Brookfield REIT ("REIT Distributions") shall be declared and made once every quarter of a Financial Year by our Manager. The first distribution shall be made upon completion of the first full quarter after the listing of our Units on the Stock Exchanges. Further, in accordance with the REIT Regulations, REIT Distributions shall be made no later than 15 days from the date of such declarations. The REIT Distributions, when made, shall be made in Indian Rupees.

The NDCFs shall be calculated in accordance with the REIT Regulations and any circular, notification or guidelines issued thereunder including the SEBI Guidelines.

Statement of Net Distributable Cash Flows have not been disclosed since the first distribution of the REIT as stated in the Final Offer Document will be made upon completion of the first full quarter after the listing of the Units on the Stock Exchanges i.e. 30 June 2021.

**49** "0" Represents value less than Rs. 0.01 million.

For and on behalf of the Board of Directors of  
**Brookprop Management Services Private Limited**  
 (as Manager to the Brookfield India REIT)

**Ankur Gupta**  
 Director  
 DIN No. 08687570

**Alok Aggarwal**  
 Chief executive officer  
 DIN No. 00009964

Place: Mumbai  
 Date: 20 May 2021

Place: Gurugram  
 Date: 20 May 2021

**Sanjeev Kumar Sharma**  
 Chief financial officer  
 DIN No. 00211963

Place: Gurugram  
 Date: 20 May 2021

**ANNEXURE C**

**FINANCIAL INFORMATION OF THE TARGET SPVS**

<b>S. No.</b>	<b>Particulars</b>	<b>Page no.</b>
1.	Special Purpose Condensed Combined and Carve-out Financial Statements of Downtown Powai SPV	C-1
2.	Audited Financial Statements of G1 SPV	C-32

# B S R & Co. LLP

Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of Kairos Property Managers Private Limited

#### Opinion

We have audited the Special Purpose Condensed Combined and Carve-out Financial Statements of Kairos Property Managers Private Limited (“Kairos” or the “Asset”), which comprise the Special Purpose Condensed Combined and Carve-out Balance Sheet as at 31 March 2023, 31 March 2022 and 31 March 2021, and the Special Purpose Condensed Combined and Carve-out Statement of Profit and Loss, Special Purpose Condensed Combined and Carve-out Statement of Changes in Net Parent Investment and Special Purpose Condensed Combined and Carve-out Statement of Cash Flows for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, and notes to the Special Purpose Condensed Combined and Carve-out Financial Statements, including a summary of the significant accounting policies and other explanatory information.

The Special Purpose Condensed Combined and Carve-out Financial Statements have been prepared in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Condensed Combined and Carve-out Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Condensed Combined and Carve-out Financial Statements give a true and fair view of the financial position of Kairos Property Managers Private Limited as at 31 March 2023, 31 March 2022 and 31 March 2021 and of its financial performance, its cash flows, its changes in net parent investment for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, in accordance with the basis of preparation set out in Note 2 to the Special Purpose Condensed Combined and Carve-out Financial Statements.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Condensed Combined and Carve-out Financial Statements* section of our report. We are independent of Kairos in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Condensed Combined and Carve-out Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter**

We draw attention to Note 2 to the Special Purpose Condensed Combined and Carve-out Financial Statements, which describes the basis of accounting. The Special Purpose Condensed Combined and Carve-out Financial Statements have been prepared by the management for inclusion in the Preliminary Placement Document ('PPD') and Placement Document ('PD') prepared in connection with the Institutional Placement ('IP') offering of units of Brookfield India Real Estate Trust ('Brookfield India REIT'). As a result, these financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

### **Management's and Board of Directors' Responsibilities for the Special Purpose Condensed Combined and Carve-out Financial Statements**

Kairos's management and Board of Directors are responsible for the preparation of these Special Purpose Condensed Combined and Carve-out Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in net parent investment and cash flows of Kairos in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Condensed Combined and Carve-out Financial Statements. This responsibility also includes maintenance of adequate accounting records in accordance with the applicable provisions for safeguarding of the assets of Kairos and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Condensed Combined and Carve-out Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Condensed Combined and Carve-out Financial Statements, management and Board of Directors are responsible for assessing Kairos's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Kairos or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing Kairos's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Special Purpose Condensed Combined and Carve-out Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Condensed Combined and Carve-out Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Condensed Combined and Carve-out Financial Statements.

We conducted our audit in accordance with (a) the terms of reference vide our engagement letter dated 06 March 2023 and addendum dated 25 July 2023 to carry out work on such Special Purpose Condensed Combined and Carve-out Financial Statements prepared in accordance with Note 2 to the Special Purpose Condensed Combined and Carve-out Financial Statements for inclusion in PPD and PD and for use by the statutory auditors of Brookfield India REIT for the purpose of issuing its independent auditor's assurance report on the compilation of unaudited condensed combined proforma financial information of Brookfield



India REIT for inclusion in the PPD and PD prepared in connection with the IP offering of units of Brookfield India REIT and (b) Guidance Note on Combined and Carve-out Financial Statements, to the extent applicable to these Special Purpose Condensed Combined and Carve-out Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Condensed Combined and Carve-out Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether Kairos has adequate internal financial controls with reference to Special Purpose Condensed Combined and Carve-out Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Kairos's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Condensed Combined and Carve-out Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Kairos to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Condensed Combined and Carve-out Financial Statements, including the disclosures, and whether the Special Purpose Condensed Combined and Carve-out Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Restrictions on Use**

This report is intended to be relied upon for inclusion in PPD and PD as required by Securities and Exchange Board of India Master Circular for Real Estate Investment Trusts (the “REITs”), dated 06 July 2023, as amended and for use by the statutory auditors of Brookfield India REIT for the purpose of issuing its independent auditor’s assurance report on the compilation of unaudited condensed combined proforma financial information of the Brookfield India REIT for inclusion in the PPD and PD prepared in connection with the IP offering of units of Brookfield India REIT, and is not to be used, referred to or distributed for any other purpose without our prior consent in writing.

*For* **B S R & Co. LLP**  
*Chartered Accountants*  
Firm’s Registration No: 101248W/W-100022

Place: Gurugram  
Date: 25 July 2023

**David Jones**  
*Partner*  
Membership No. 098113  
UDIN: 23098113BGYZXK1963

**Kairos Property Managers Private Limited**  
**Special Purpose Condensed Combined and Carve-out Financial Statements**

**Special Purpose Condensed Combined and Carve-out Balance Sheet**  
(All amounts are in INR million unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	31.29	27.54	28.65
Investment property	4	31,997.16	32,032.34	32,184.28
Investment property under development	4	531.16	422.14	129.89
Goodwill	3	5,649.99	5,649.99	5,649.99
Other intangible assets	3	0.73	0.46	0.64
Financial assets				
Investments	5.1	-	1,058.98	756.12
Other financial assets	5.2	752.50	744.59	893.86
Other tax assets (net)	6	528.58	816.93	1,001.78
Other non-current assets	7	31.12	18.42	2.71
<b>Total non-current assets</b>		<b>39,522.53</b>	<b>40,771.39</b>	<b>40,647.92</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	8.1	130.28	50.06	142.99
Cash and cash equivalents	8.2	450.31	73.04	187.54
Other bank balances	8.3	476.91	407.47	8.61
Other financial assets	8.4	973.10	223.59	523.83
Other current assets	9	28.95	68.06	83.05
<b>Total current assets</b>		<b>2,059.55</b>	<b>822.22</b>	<b>946.02</b>
<b>TOTAL ASSETS</b>		<b>41,582.08</b>	<b>41,593.61</b>	<b>41,593.94</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	10.1	97.59	97.59	97.59
Other equity	10.2	(1,886.51)	(1,549.24)	(670.00)
<b>Total equity</b>		<b>(1,788.92)</b>	<b>(1,451.65)</b>	<b>(572.41)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	11.1	37,838.20	39,132.97	38,121.93
Other financial liabilities	11.2	777.80	510.68	546.11
Provisions	12	9.93	7.64	5.11
Other non-current liabilities	13	96.72	90.75	79.22
<b>Total non-current liabilities</b>		<b>38,722.65</b>	<b>39,742.04</b>	<b>38,752.37</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	14.1	1,905.05	258.63	577.51
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	14.2	61.13	64.19	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		193.33	175.14	130.09
Other financial liabilities	14.3	2,178.61	2,527.38	2,382.28
Other current liabilities	16	305.85	273.68	323.86
Provisions	15	0.48	0.30	0.24
Current tax liabilities (net)	17	3.90	3.90	-
<b>Total current liabilities</b>		<b>4,648.35</b>	<b>3,303.22</b>	<b>3,413.98</b>
<b>Total liabilities</b>		<b>43,371.00</b>	<b>43,045.26</b>	<b>42,166.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,582.08</b>	<b>41,593.61</b>	<b>41,593.94</b>

Significant accounting policies

2

The accompanying notes from 1 to 36 form an integral part of these special purpose condensed combined and carve-out financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

For and on behalf of the **Board of Directors** of  
**Kairos Property Managers Private Limited**

**David Jones**

Partner

Membership No.: 098113

Place: Gurugram

Date: 25 July 2023

**Pallavi Sadashiv Chaudhari**

Managing Director

DIN : 09555939

Place: Mumbai

Date: 25 July 2023

**Hubert Ignateus Pinto**

Director

DIN : 08975063

Place: Mumbai

Date: 25 July 2023

**Sangeeta Pokhriyal**

Company Secretary

Membership No.: ACS 26048

Place: Gurugram

Date: 25 July 2023

**Arun Mittal**

Chief financial officer

Place: Gurugram

Date: 25 July 2023

**Kairos Property Managers Private Limited**  
**Special Purpose Condensed Combined and Carve-out Financial Statements**

**Special Purpose Condensed Combined and Carve-out Statement of Profit and Loss**

(All amounts are in INR million unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>				
Revenue from operations	18	4,814.31	4,254.25	4,339.07
Other income	19	94.47	103.31	70.96
<b>Total income</b>		<b>4,908.78</b>	<b>4,357.56</b>	<b>4,410.03</b>
<b>Expenses</b>				
Cost of materials consumed	20	8.91	-	-
Employee benefits expense	21	120.11	86.35	70.22
Finance costs	22	3,706.12	3,593.04	3,554.39
Depreciation and amortisation expense	23	563.16	509.54	475.68
Other expenses	24	942.31	937.97	777.32
<b>Total expenses</b>		<b>5,340.61</b>	<b>5,126.90</b>	<b>4,877.61</b>
<b>Loss before tax</b>		<b>(431.83)</b>	<b>(769.34)</b>	<b>(467.58)</b>
<b>Tax expense:</b>				
Current tax (including earlier years)	25	-	3.24	(0.83)
Deferred tax		-	-	-
<b>Tax expense/(benefit) for the year</b>		<b>-</b>	<b>3.24</b>	<b>(0.83)</b>
<b>Loss for the year</b>		<b>(431.83)</b>	<b>(772.58)</b>	<b>(466.75)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit and loss				
- Remeasurement of defined benefit obligations		1.23	0.38	0.27
- Income tax related to items that will not be reclassified to profit and loss		-	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>1.23</b>	<b>0.38</b>	<b>0.27</b>
<b>Total comprehensive loss for the year</b>		<b>(430.60)</b>	<b>(772.20)</b>	<b>(466.48)</b>
<b>Loss per share of face value of INR 10 per share</b>				
Basic (in INR)	28	(37.99)	(65.47)	(37.18)
Diluted (in INR)		(37.99)	(65.47)	(37.18)

Significant accounting policies 2

The accompanying notes from 1 to 36 form an integral part of these special purpose condensed combined and carve-out financial statements.

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For and on behalf of the **Board of Directors** of  
**Kairos Property Managers Private Limited**

**David Jones**  
Partner  
Membership No.: 098113

Place: Gurugram  
Date: 25 July 2023

**Pallavi Sadashiv Chaudhari**  
Managing Director  
DIN : 09555939

Place: Mumbai  
Date: 25 July 2023

**Hubert Ignateus Pinto**  
Director  
DIN : 08975063

Place: Mumbai  
Date: 25 July 2023

**Sangeeta Pokhriyal**  
Company Secretary  
Membership No.: ACS 26048

Place: Gurugram  
Date: 25 July 2023

**Arun Mittal**  
Chief financial Officer

Place: Gurugram  
Date: 25 July 2023

**Kairos Property Managers Private Limited**  
**Special Purpose Condensed Combined and Carve-out Financial Statements**

**Special Purpose Condensed Combined and Carve-out Statement of Changes in Net Parent Investment**  
(All amounts are in INR million unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Balance at the beginning of the reporting year</b>	97,59,000	97.59	97,59,000	97.59	97,59,000	97.59
Changes during the year	-	-	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>97,59,000</b>	<b>97.59</b>	<b>97,59,000</b>	<b>97.59</b>	<b>97,59,000</b>	<b>97.59</b>

**(b) Other equity**

Particulars	Reserves and surplus			Total
	Securities premium*	Retained earnings**	Amalgamation adjustment reserve***	
<b>Balance as at 1 April 2020</b>	<b>877.41</b>	<b>(2,716.17)</b>	<b>-</b>	<b>(1,838.76)</b>
Adjustment made pursuant to Scheme of Amalgamation and Arrangement	-	767.83	620.30	1,388.13
Loss for the year	-	(466.75)	-	(466.75)
Other comprehensive income for the year	-	0.27	-	0.27
Addition during the year	-	-	-	-
Income from REIT units^	-	247.11	-	247.11
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>548.46</b>	<b>620.30</b>	<b>1,168.76</b>
<b>Balance as at 31 March 2021</b>	<b>877.41</b>	<b>(2,167.71)</b>	<b>620.30</b>	<b>(670.00)</b>
Loss for the year	-	(772.58)	-	(772.58)
Other comprehensive income for the year	-	0.38	-	0.38
Addition during the year	-	-	-	-
Income from REIT units^	-	360.23	-	360.23
Settlement of transactions^^	-	(467.27)	-	(467.27)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(879.24)</b>	<b>-</b>	<b>(879.24)</b>
<b>Balance as at 31 March 2022</b>	<b>877.41</b>	<b>(3,046.95)</b>	<b>620.30</b>	<b>(1,549.24)</b>
Loss for the year	-	(431.83)	-	(431.83)
Other comprehensive income for the year	-	1.23	-	1.23
Addition during the year	-	-	-	-
Income from REIT units^	-	93.33	-	93.33
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(337.27)</b>	<b>-</b>	<b>(337.27)</b>
<b>Balance as at 31 March 2023</b>	<b>877.41</b>	<b>(3,384.22)</b>	<b>620.30</b>	<b>(1,886.51)</b>

\*Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

\*\* Retained earnings represents the amount of accumulated earnings/(deficit) of Kairos.

\*\*\*Amalgamation adjustment reserve is created as a result of amalgamation of carve out assets and liabilities pertaining to business segment "Properties which are owned and no further scope of development" of erstwhile Vrihis Properties Private Limited ("Vrihis") with Kairos Property Managers Private Limited pursuant to the Scheme of Amalgamation and Arrangement. Refer note 32.

^Income from REIT units directly credited into equity (refer basis of preparation note 2(a)).

^^Adjustment on account of settlement of related party balances as on 01 October 2021 pursuant to the Scheme which is directly recognised in retained earnings.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 36 form an integral part of these special purpose condensed combined and carve-out financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

**David Jones**  
Partner  
Membership No.: 098113  
Place: Gurugram  
Date: 25 July 2023

For and on behalf of the **Board of Directors** of  
**Kairos Property Managers Private Limited**

**Pallavi Sadashiv Chaudhari**  
Managing  
Director  
DIN : 09555939  
Place: Mumbai  
Date: 25 July 2023

**Hubert Ignateus Pinto**  
Director  
DIN : 08975063  
Place: Mumbai  
Date: 25 July 2023

**Sangeeta Pokhriyal**  
Company Secretary  
Membership No.: ACS 26048  
Place: Gurugram  
Date: 25 July 2023

**Arun Mittal**  
Chief financial Officer  
Place: Gurugram  
Date: 25 July 2023

**Kairos Property Managers Private Limited**  
**Special Purpose Condensed Combined and Carve-out Financial Statements**

**Special Purpose Condensed Combined and Carve-out Statement of Cash Flows**

(All amounts are in INR million unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flows from operating activities :</b>			
Loss before tax	(431.83)	(769.34)	(467.58)
Adjustments for :			
Depreciation and amortisation expenses	563.16	509.54	475.68
Interest income on fixed deposits	(36.82)	(9.61)	(5.63)
Interest on income tax refund	(29.94)	(58.02)	(19.53)
Finance costs	3,706.12	3,593.04	3,554.39
Liabilities no longer required written back	(4.09)	(4.56)	(26.48)
Credit impaired	0.20	20.01	0.50
Allowance for credit loss	-	0.09	5.03
Gain on disposal of property plant and equipment	-	(0.01)	-
Loss on derivative instrument at fair value through profit and loss	38.90	100.50	27.70
Interest income on security deposit	(84.33)	(65.70)	(125.70)
<b>Operating cash flows before working capital changes</b>	<b>3,721.37</b>	<b>3,315.94</b>	<b>3,418.38</b>
<b>Change in working capital:</b>			
Increase in current and non current financial assets -others	(795.18)	(118.27)	(473.47)
(Increase)/decrease in trade and other receivables	(80.41)	72.83	(62.79)
Decrease/(increase) in other assets	17.41	12.43	(39.21)
Decrease in current and non current financial liabilities -others	(154.00)	(184.95)	(40.15)
Increase in provisions	3.71	2.99	2.34
Increase in trade and other payables	19.22	113.80	46.93
Increase in other liabilities	122.48	27.05	65.55
<b>Cash generated from operating activities</b>	<b>2,854.60</b>	<b>3,241.82</b>	<b>2,917.58</b>
Income tax refund (net)	288.35	185.51	93.75
<b>Net cash flows generated from operating activities (A)</b>	<b>3,142.95</b>	<b>3,427.33</b>	<b>3,011.33</b>
<b>Cash flow from investing activities :</b>			
Acquisition of investment property	(631.96)	(490.08)	(1,141.45)
Acquisition of property, plant and equipment	(11.98)	(4.81)	(5.38)
Proceeds from sale of property, plant and equipment and investment property	-	0.04	(1.15)
Proceeds from sale of investments	1,117.93	-	0.01
Income from REIT units	34.38	57.37	-
Bank deposits (having original maturity of more than three months)	(69.44)	(398.86)	(2.07)
Interest received on fixed deposits	35.82	9.61	5.63
Interest on income tax refund	29.94	58.02	19.53
<b>Net cash flows used in investing activities (B)</b>	<b>504.69</b>	<b>(768.71)</b>	<b>(1,124.88)</b>
<b>Cash flow from financing activities* :</b>			
Finance costs paid	(2,833.99)	(2,578.88)	(2,698.43)
Proceeds from long-term borrowings	-	340.40	885.92
Repayment of long-term borrowings	(265.68)	(935.83)	(502.62)
Proceeds from issue of debentures	1,475.31	401.19	347.89
Repayment of debentures	(1,646.00)	-	-
<b>Net cash used in financing activities (C)</b>	<b>(3,270.36)</b>	<b>(2,773.12)</b>	<b>(1,967.24)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>377.28</b>	<b>(114.50)</b>	<b>(80.79)</b>
Cash and cash equivalents at the beginning of the year (refer note 8.2)	73.03	187.54	126.19
Cash and cash equivalents received pursuant to the Scheme of Amalgamation and Arrangement	-	-	142.14
<b>Cash and cash equivalents at the end of the year</b>	<b>450.31</b>	<b>73.04</b>	<b>187.54</b>
<b>Components of cash and cash equivalents at the end of the year</b>			
Balances with banks			
- in current account	20.97	70.74	112.64
- in deposit account	429.34	2.30	74.90
	<b>450.31</b>	<b>73.04</b>	<b>187.54</b>

\*Refer note 35 for change in financing activities disclosure pursuant to amendment to Ind AS 7.

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

2. Significant accounting policies (refer note 2)

The accompanying notes from 1 to 36 form an integral part of these special purpose condensed combined and carve-out financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of

**Kairos Property Managers Private Limited**

**David Jones**

Partner

Membership No: 098113

Place: Gurugram

Date: 25 July 2023

**Pallavi Sadashiv Chaudhari**

Managing Director

DIN : 09555939

Place: Mumbai

Date: 25 July 2023

**Hubert Ignateus Pinto**

Director

DIN : 08975063

Place: Mumbai

Date: 25 July 2023

**Sangeeta Pokhriyal**

Company Secretary

Membership No.: ACS 26048

Place: Gurugram

Date: 25 July 2023

**Arun Mittal**

Chief financial Officer

Place: Gurugram

Date: 25 July 2023

**1 Corporate Information**

The Special Purpose Condensed Combined and Carve-out Financial Statements comprises of the financial statements of Kairos Property Managers Private Limited ("Kairos") and carve out financial information pertaining to business segment "Properties which are owned and no further scope of development" ("carve out business unit") of erstwhile Vrihis Properties Private Limited ("Vrihis"), pursuant to the Scheme of Amalgamation and Arrangement. Kairos is domiciled in India.

Kairos became a subsidiary of Project Diamond Holdings (DIFC) Limited ("the Parent Company") w.e.f. 23 August 2021 (till 22 August 2021, Kairos was a subsidiary of BSREP II India Office Holdings II Pte. Ltd.). It was incorporated on 16 March 2017. Kairos is in the business of providing management related service including facilities management service and property management services and to purchase or otherwise, acquire, construct, develop, operate, erect, equip, manage, promote, finance, lease, franchise, let out or in any other way and in all aspects carry on business of or deal in lands, buildings, shops, depots, warehouses, IT parks, business centres, serviced apartments, commercial spaces, hotels, motels, lodging and boarding houses, restaurants, fast food restaurants, cafes, taverns, bars, refreshment, rooms, flight kitchens, catering services, housekeepers, clubs, holiday homes, resorts, camps and any other property of any tenure and any interest or related business therein and to construct, develop, manage, let out and operate such properties in any part of the world. The registered office of Kairos is located at 4th Floor, A-401, 402, Delphi A, Orchard Avenue, Powai, Mumbai Suburban, Maharashtra, 400076.

Vrihis was in the business of developing commercial real estate property in Powai, Mumbai. It was comprising of three business segments namely "Properties which are owned and no further scope of development", "Properties which are owned with development scope" and "Strata floors".

The Scheme of Amalgamation and Arrangement ("the Scheme") for amalgamation of erstwhile Mars Hotels and Resorts Private Limited ("Mars") and Vrihis (collectively referred to as "Transferor Companies") into Kairos on as going concern basis and demerger of the "Properties which are owned with development scope", "Strata floors" of Vrihis and "Hotel and Development Business" of Mars (collectively referred to as "Certain Business Units") into Aerobode One Private Limited, Parthos Properties Private Limited and Striton Properties Private Limited respectively (collectively referred to as "Resultant Companies"), was approved by Honourable National Company Law Tribunal ("NCLT"), Mumbai Bench vide its order dated 24 April 2023, formal order of which was received on 27 April 2023. The said NCLT order was filed with the Registrar of Companies by Kairos and the Resultant Companies on 06 May 2023, thereby making the Scheme effective.

**2 Basis of preparation and accounting policies of Special Purpose Condensed Combined and Carve-out Financial Statements**

**(i) Historical cost convention**

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. All the amounts included in the financial statements are reported in million of Indian Rupees and are rounded to the nearest million, except per share data and unless stated otherwise.

**(ii) Basis of preparation**

The Special Purpose Condensed Combined and Carve-out Financial Statements of Kairos Properties Managers Private Limited comprises the Special Purpose Condensed Combined and Carve-out Balance Sheets as at 31 March 2023, 31 March 2022 and 31 March 2021; the Special Purpose Condensed Combined and Carve-out Statement of Profit and Loss, the Special Purpose Condensed Combined and Carve-out Statement of Cash Flows, the Special Purpose Condensed Combined and Carve-out Statement of Changes in Net Parent Investment for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 and a summary of significant accounting policies and other explanatory information. The Special Purpose Condensed Combined and Carve-out Financial Statements were authorized for issue in accordance with resolutions passed by the Board of Directors of the company on 25 July 2023.

The Special Purpose Condensed Combined and Carve-out Financial Statements have been prepared to enable Brookfield India Real Estate Trust ("Brookfield India REIT", fellow subsidiary company) comply with Securities and Exchange Board of India, Guidelines for Preferential Issue and Institutional Placement of Units by Listed REITs and the specific requirement as specified in Annexure 5, paragraph 7(b) of the Securities and Exchange Board of India, Master Circular for Real Estate Investment Trusts dated 06 July 2023, which inter-alia requires Brookfield India REIT to include in the Preliminary Placement Document ("PPD") and Placement Document ("PD"), prepared in connection with their proposed Institutional Placement ("IP") offering of units of Brookfield India REIT, a summary of the audited financial statements of the asset proposed to be acquired for the previous three financial years. Since the aforesaid Scheme was implemented with the appointed date of 01 October 2021, the financial information of Kairos after taking the effect of said Scheme was available for a period lesser than three completed financial years. Accordingly, in order to enable Brookfield India REIT to comply with the aforesaid SEBI regulation, these Special Purpose Condensed Combined and Carve-out Financial Statements of Kairos for the previous three completed financial years have been prepared as if the aforementioned Scheme was implemented on 1 April 2020.

The basis of preparation of the Special Purpose Condensed Combined and Carve-out Financial Statements is not in line with the International Financial Reporting Standards as issued by the International Accounting Standards Board. These Special Purpose Condensed Combined and Carve-out Financial Statements have been prepared in accordance with the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Notes") using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ("Ind AS"), except for the accounting of the aforementioned scheme as mentioned earlier, which instead of being effected on 1 October 2021 has been effected on 1 April 2020. This accounting treatment is not in accordance with the principles of Ind AS 103 Business Combinations.

As per the Guidance Note on Combined and Carve Out Financial Statements, the procedure for preparing combined financial statements of the combining entities is the same as that for consolidated financial statements as per the applicable Accounting Standards. Accordingly, when combined financial statements are prepared, intra-group transactions and profits or losses are eliminated. All the inter group transactions are undertaken on arms lengths basis. The information presented in these financial statements may not be representative of the position which may prevail after the transaction. The resulting financial position may not be that which might have existed if the combining businesses had been a stand-alone business. Net parent investment disclosed in the Special Purpose Condensed Combined and Carve-out Financial Statements is not the legal capital and other equity of Kairos, and is the aggregation of the Share Capital and other equity of each of the Assets. As a result, these Special Purpose Condensed Combined and Carve-out Financial Statements may not be suitable for any other purpose.

In preparation of the Special Purpose Condensed Combined and Carve-out Financial Statements of Kairos for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 the assets, liabilities, income and expenses specific to the carve out business unit as per the allocation methodology specified below. No specific guidance is available for allocation of common income, expenses, assets and liabilities to carve-out business units. Accordingly, in preparing historical carved out financial information, certain accounting conventions commonly used and found appropriate by the management have been applied. The allocation basis used is appropriate and reflects the management's best estimate of how the underlying services have been consummated by the carved-out business unit. However, the financial position of the remaining business units post allocation may not accurately resemble the financial position that would have been reported had the operations of these business units been carried out in a separate standalone entity or the position which may prevail in the future.

Investment property, investment property under development and property, plant and equipment, trade receivables, inter corporate deposit and accrued interest, lease equalisation reserve, capital advances, security deposit from occupants, deferred income and capital creditors are directly attributable and have been specifically identified.

Income from operating lease rentals and income from maintenance services, Depreciation and amortisation expense are directly attributable and have been specifically identified. All other expenditure which is not directly attributable to the segments has been allocated on reasonable basis based on nature of expenditure and management's estimate.

The following items of assets, liabilities, income and expenses of carve out financial statements pertaining to business segment "Properties which are owned and no further scope of development" of erstwhile Vrihis Properties Private Limited ("Vrihis") have been allocated on the basis specified below:

<b>Financial Statement caption</b>	<b>Basis of allocation*</b>
Borrowings and retention money	a) Which are directly attributable and have been specifically identified, b) Which are common are allocated in the ratio of total assets
Trade payables	a) Which are directly attributable and have been specifically identified, b) Which are common are allocated in the ratio of Gross Leasable Area (GLA)
Income tax assets, Deposits with Banks (including interest accrued thereon)	a) Which are directly attributable and have been specifically identified, b) Which are for general purpose are allocated in the ratio of total assets
Security deposit paid	a) Which are directly attributable and have been specifically identified, b) Which are common are allocated in the ratio of Gross Leasable Area (GLA)
Prepaid expenses	a) Which are directly attributable and have been specifically identified, b) Which are common are allocated in the ratio of Gross Leasable Area (GLA)
Finance Costs	On the basis of borrowings
Employee benefits expense	Employee benefits expense are allocated in the ratio of revenue from operations.
Other income and expenses	a) Which are directly attributable and have been specifically identified, b) Which are common are allocated in the ratio of Gross Leasable Area (GLA)

**Kairos Property Managers Private Limited**  
**Notes to the Special Purpose Condensed Combined and Carve-out Financial Statements**

**Note\***

1) The allocation key namely total assets used as mentioned above, has been derived on the basis of financial information of Kairos as on 30 September 2021 (as the appointed date of scheme is 01 October 2021), prepared post taking impact of the Scheme.

2) The Gross Leasable Area as on 30 September 2021 pertaining to the three business segments namely "Properties which are owned and no further scope of development", "Properties which are owned with development scope" and "Strata floors" of erstwhile Vrihis was used above for allocation.

Kairos and the erstwhile Vrihis Properties Private limited have the same financial year closing and use consistent accounting policies for each period / year presented. All inter-company balances, transactions, income and expenses, and profits and losses resulting from inter-company transactions are eliminated.

For the preparation of Special Purpose Condensed Combined Carve-in and Carve-out Financial Statements, the financial information of erstwhile Vrihis Properties Private Limited and erstwhile Mars Hotels and Resorts Private Limited have been combined with the financial information of Kairos. Accordingly, the investments as appearing in the books of accounts of Kairos have been eliminated with the share capital of Vrihis and Mars and the difference has been recognised as Goodwill as at 01 April, 2020. Post this, "certain business units" were carved-out and the difference arising between the assets and liabilities has been recognised as 'Amalgamation adjustment reserve' under 'Other Equity' as at 01 April, 2020, in accordance with the requirements of the Guidance Note.

Income on investment in units of Brookfield India REIT, which were allotted to Kairos in exchange of investment in equity shares of Festus Properties Private Limited ("Festus"), have not been included in the statement of profit and loss, and has been directly credited to 'retained earnings', since this investment is not related to the business unit forming part of Kairos post having effect of the Scheme of Amalgamation and Arrangement.

For preparation of these Special Purpose Condensed Combined and Carve-out Financial Statements, depreciation is provided on pro-rata basis as per Straight Line Method (SLM) to align with the accounting policies of Brookfield India REIT. Accordingly, Kairos has changed the policy retrospectively to SLM from the date of acquisition of respective assets.

**a) Basis of measurement**

These financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and financial liabilities which have been measured at amortised cost and fair value through profit and loss.

**b) Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is Kairos and carve out business segment "Properties which are owned and no further scope of development" of erstwhile Vrihis Properties Private Limited ("Vrihis") as functional currency. All financial information presented in Indian rupees has been rounded off to nearest million unless otherwise stated.

**c) Significant accounting judgments, estimates and assumptions**

The preparation of these Special Purpose Condensed Combined and Carve-out Financial Statements in conformity with the Group Accounting Instructions, issued by Brookfield Corporation (ultimate holding company) to the management of Kairos, which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including those of contingent liabilities if any. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

(i) measurement of useful life, residual values and impairment of property, plant and equipment, intangible assets and investment property (note 2(g)(2), 2(g)(3), 2(g)(4), 3 and 4)

(ii) recoverable amount/value in use of property, plant and equipment, intangible assets and investment property (note 2(g)(2), 2(g)(3), 2(g)(4), 3 and 4)

(iii) impairment of financial assets and non-financial assets (refer note 2(g)(5) and 2(g)(7))

(iv) recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources (refer note 2(g)(9), 2(g)(10) and note 26)

(v) fair value recognition and measurement (refer note 2(e) and note 30)

(vi) recognition and estimation of tax expense (refer note 2(g)(15) and 25)

**d) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Kairos takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.

- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurements are adopted by Kairos to determine the fair value amounts of various assets and liabilities measured or disclosed at fair value.

**e) Current and non-current classification**

Kairos presents assets and liabilities in the Condensed balance sheet based on current/non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in the normal operating cycle.

- it is held primarily for the purpose of being traded;

- it is expected to be realized within 12 months after the reporting date; or

- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Kairos classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the normal operating cycle;

- it is held primarily for the purpose of being traded;

- it is due to be settled within 12 months after the reporting date; or

- Kairos does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Kairos classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, Kairos has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.



**f) Significant accounting policies**

**1) Business combination**

“Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Statement of Profit and Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities & contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve as a gain on bargain purchase, unless there is no clear evidence for the underlying reason for classification of the business combination as a bargain purchase, in which case, it shall be recognised directly in 'Other Equity'.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented. The assets and liabilities acquired are recognised at their carrying amounts. The difference between the consideration paid/received and the carrying amount of assets and liabilities transferred is recorded in the amalgamation adjustment reserve, a component of other equity.

**2) Property, plant and equipment**

*Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

*Subsequent expenditure and disposal*

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

*Depreciation*

For preparation of these Special Purpose Condensed Combined and Carve-out Financial Statements, depreciation is provided on pro-rata basis as per Straight Line Method (SLM) at the rates corresponding to the useful life specified under Schedule II to the Companies Act, 2013 except on the following categories of property, plant and equipment where the estimated useful lives are different than the corresponding useful life as per Schedule II.

Particulars	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Air conditioner	3-7	15
Computer	1-7	3
Vehicle	8	8
Furniture and fixtures	4-5	10
Electric Equipments	3-9	10
Office Equipment	1-7	5
Plant and machinery	3-7	15

The difference in useful life in the above assets is based on internal technical assessment made by the management. The management believes useful lives as given above best represent the period over which Kairos expects to use these assets.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided from (upto) the date on which asset is ready for use (disposed off).

**3) Goodwill and other intangible assets**

Goodwill subsequent measurement is at cost less any accumulated amortization and impairment losses. Goodwill is not amortised and is tested for impairment annually.

Other Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortised over a period of 5 years, which represents the period over which Kairos expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

**4) Investment properties**

Investment properties consists of commercial properties which are principally held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties.

*Recognition and measurement*

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by Kairos, is classified as investment property. Investment property is measured initially at its cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

The cost of commercial development properties includes direct development costs, realty taxes and borrowing costs directly attributable to the development. Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

Kairos has outsourced the project management to third party, any expense in relation to project management is capitalised as per the terms of the agreement with the third party on accrual basis.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to Kairos and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Any gain or loss from disposal of an investment property is recognised in statement of profit and loss.

**Kairos Property Managers Private Limited**  
**Notes to the Special Purpose Condensed Combined and Carve-out Financial Statements**

**Depreciation**

For preparation of these Special Purpose Condensed Financial Statements, depreciation is provided on pro-rata basis as per Straight Line Method (SLM) at the rates corresponding to the useful life specified under Schedule II to the Companies Act, 2013 except on the following categories of investment properties where the estimated useful lives are different than the corresponding useful life as per Schedule II.

Particulars	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Air conditioner	3-7	15
DG Sets	4-8	15
Electric Equipments	3-9	10
Electrical fittings	3-9	10
Office Equipment	1-7	5
Furniture and fixtures	4-5	10
Plant and machinery	3-7	15
Lifts	4-9	15

The difference in useful life in the above assets is based on internal technical assessment made by the management. The management believes useful lives as given above best represent the period over which Kairos expects to use these assets.

The fair value of investment property is disclosed in the notes. Fair values are determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**5) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

**6) Employee benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

**Post Employment Benefits**

*(i) Defined contribution plans*

Kairos's contribution to provident fund is considered as defined contribution plans and is charged as an expense in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

*(ii) Defined benefit plans*

For defined benefit plans in the form of gratuity fund is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and service as at the beginning and end of the period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.
- (c) Gain/loss on remeasurement of compensated absences are recorded through Profit and Loss account.

**Other long-term employee benefits**

The employees of Kairos are entitled to long term benefit by way of accumulating compensated absences. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation based on actuarial valuations as at the balance sheet date by an independent actuary using the Projected Unit Credit method.

**7) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Financial Assets - Recognition**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

• Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, Kairos recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Kairos Property Managers Private Limited**  
**Notes to the Special Purpose Condensed Combined and Carve-out Financial Statements**

• Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, Kairos may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Kairos has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of profit and loss.

• Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, Kairos may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. Kairos makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If Kairos decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, Kairos may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of profit and loss.

(ii) Financial Assets - Derecognition

Kairos derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Kairos applies expected credit loss (ECL) model for measurement and recognition of impairment loss on:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables.
- Financial assets that are debt instruments and at FVTOCI.

Kairos follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require Kairos to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, Kairos determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then Kairos reverts to recognising impairment loss allowance based on 12-month ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to Kairos in accordance with the contract and all the cash flows that Kairos expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognized as income/ expense in statement of profit and loss.

(iv) Financial liabilities – Recognition & Subsequent measurement

Kairos's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is considered as a prepayment and amortised over the period of the facility to which it relates.

Kairos's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

• Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by Kairos that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, Kairos may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in statement of profit and loss. Kairos has not designated any financial liability as at fair value through statement of profit and loss.

• Financial liabilities at amortised cost (Loans and Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in statement of profit and loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses). The difference in the respective carrying amounts is recognised in statement of profit and loss.

(vi) Income/loss recognition

• Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, Kairos estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

• Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until such time as the assets are substantially ready for their intended use or sale. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, Kairos estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(vii) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Embedded derivatives closely related to the host contracts are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Kairos has separated the derivative component of compulsorily convertible debenture issued during the year and measured at FVTPL.

(viii) Compound financial instruments

Compound financial instruments issued by Kairos comprise convertible debentures denominated in Indian Rupees that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in statement of profit and loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

**8) Leases**

At inception of a contract, Kairos assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Kairos assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- Kairos has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Kairos has the right to direct the use of the asset. Kairos has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, Kairos has the right to direct the use of the asset if either:
  - Kairos has the right to operate the asset; or
  - Kairos designed the asset in a way that predetermines how and for what purpose it will be used;

**Short-term leases and leases of low value**

Kairos applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense as they are incurred.

**As a lessee**

Kairos recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Kairos's incremental borrowing rate. Generally, Kairos uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- i) fixed payments, including in-substance fixed payments;
- ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii) amounts expected to be payable under a residual value guarantee; and
- iv) the exercise price under a purchase option that Kairos is reasonably certain to exercise, lease payments in an optional renewal period if Kairos is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Kairos is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Kairos's estimate of the amount expected to be payable under a residual value guarantee, or if Kairos changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Kairos presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other non-current financial liabilities' in the balance sheet.

Kairos has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. Kairos recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Kairos Property Managers Private Limited**  
**Notes to the Special Purpose Condensed Combined and Carve-out Financial Statements**

**As a lessor**

Leases for which Kairos is a lessor is classified as an operating lease. For operating leases, rental income is recognized on a straight-line basis over the non cancellable period of the lease term of the relevant lease.

**9) Provisions**

A provision is recognised when Kairos has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

**10) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Kairos or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Kairos does not recognize a contingent liability but discloses its existence in the financial statements.

**11) Revenue recognition**

Ind AS 115 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. Kairos's revenue from leases is outside the scope of Ind AS 115. Kairos's material revenue streams subject to Ind AS 115 is non-lease components within lease arrangements arising from the recovery of certain operating expenses from tenants and Property management fees.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

**(i) Income from Operating Lease Rentals**

Assets given by Kairos under operating lease are included in investment property. Lease income from operating leases is recognised in the statement of profit and loss on a straight line basis over the non cancellable period of the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished, except where the rentals are structured to increase in line with expected general inflation, and except where there is uncertainty of ultimate collection.

Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred in obtaining an operating lease like brokerage expenses are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

Base rent, amenities income, car park rental income and fit-out rent, net of incentives received, are recognized as income on a time proportionate basis based on contracts/agreements entered into by Kairos with its customers.

**(ii) Operations and maintenance income**

Operations and maintenance income consists of revenue earned from the provision of daily maintenance, security and administration services, and is debited to tenants based on the occupied lettable area of the properties. Income is recognised as per terms of contract entered into with tenants which is recognised on a Over the period of time.

**(iii) Property management fees**

Revenue from property management services is recognized when Kairos has satisfied its performance obligation by delivering services in accordance with the contractual terms in the agreement and measured based on agreed rates and leased area.

**(iv) Sale of food and beverages**

Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue comprises of sale of food and beverages.

**12) Recognition of interest income or expense**

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income/expense like interest on inter corporate deposits, interest on loan, interest on deposits with banks is recognized over the period of time, based upon the interest rates implicit in the transactions.

**13) Property management fees**

Kairos has outsourced the property management activities to third parties. Any expense in relation to property management is charged to statement of profit and loss as per the terms of the agreement with the third party on accrual basis.

**14) Accounting for foreign currency transactions**

Items included in the financial statements of Kairos are measured using the currency of the primary economic environment in which Kairos operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Kairos's functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

**15) Income- tax**

Income-tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

*Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of earlier years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only when they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

*Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and tax bases/amounts used for taxation purposes.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that Kairos will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**Kairos Property Managers Private Limited****Notes to the Special Purpose Condensed Combined and Carve-out Financial Statements**

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, deductible temporary differences and MAT credit available, to the extent that it is probable that future taxable profits will be available against which they can be utilized (and in case of MAT, during the specified period, i.e., the period for which MAT credit is allowed to be carried forward). Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**16) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**Identification of segments:**

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by Kairos’s management to allocate resources to the segments and assess their performance. An operating segment is a component of Kairos that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of Kairos’s other components.

Results of the operating segments are reviewed regularly by the board of directors which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Kairos is in the business of providing management related service including facilities management service and property management services and CODM reviews the entire business as a single operating segment and accordingly, Kairos has only one reportable segment as per Ind AS 108 “Operating Segments”.

**17) Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

**18) Statement of cash flows**

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of Kairos are segregated based on the available information.

**19) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Kairos Property Managers Private Limited**  
**Notes to the Special Purpose Condensed Combined and Carve-out Financial Statements**  
(All amounts are in INR million unless otherwise stated)

**3 Property, plant and equipment, goodwill and other intangible assets**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2022	Additions	Disposals/ Adjustments	Balance as at 31 March 2023	Balance as at 1 April 2022	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
<b>Property, plant and equipment</b>										
Computers	8.23	7.34	-	15.57	5.30	2.51	-	7.81	7.76	2.93
Office Equipments	4.70	2.54	-	7.24	1.14	1.15	-	2.29	4.95	3.56
Furniture and fixtures	29.12	0.40	-	29.52	15.43	3.23	-	18.66	10.86	13.69
Vehicle	1.60	-	-	1.60	0.59	0.19	-	0.78	0.82	1.01
Electric equipments	2.19	-	-	2.19	0.62	0.20	-	0.82	1.37	1.57
Air conditioners	2.89	0.05	-	2.94	0.33	0.19	-	0.52	2.42	2.56
Plant and machinery	2.78	1.08	-	3.86	0.56	0.19	-	0.75	3.11	2.22
<b>Total</b>	<b>51.51</b>	<b>11.41</b>	<b>-</b>	<b>62.92</b>	<b>23.97</b>	<b>7.66</b>	<b>-</b>	<b>31.63</b>	<b>31.29</b>	<b>27.54</b>

Particulars	Gross block				Accumulated amortisation				Net block	
	Balance as at 1 April 2022	Additions	Disposals/ Adjustments	Balance as at 31 March 2023	Balance as at 1 April 2022	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
<b>Goodwill and other intangible assets</b>										
Goodwill	5,649.99	-	-	5,649.99	-	-	-	-	5,649.99	5,649.99
Computer software	1.15	0.47	-	1.62	0.69	0.20	-	0.89	0.73	0.46
<b>Total</b>	<b>5,651.14</b>	<b>0.47</b>	<b>-</b>	<b>5,651.61</b>	<b>0.69</b>	<b>0.20</b>	<b>-</b>	<b>0.89</b>	<b>5,650.72</b>	<b>5,650.45</b>

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2021	Additions	Disposals/ Adjustments	Balance as at 31 March 2022	Balance as at 1 April 2021	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>Property, plant and equipment</b>										
Computers	5.61	2.62	-	8.23	4.10	1.20	-	5.30	2.93	1.51
Office Equipments	2.62	2.08	-	4.70	0.46	0.68	-	1.14	3.56	2.16
Furniture and fixtures	29.05	0.10	0.03	29.12	12.19	3.24	-	15.43	13.69	16.86
Vehicle	1.60	-	-	1.60	0.40	0.19	-	0.59	1.01	1.20
Electric equipments	2.19	-	-	2.19	0.41	0.21	-	0.62	1.57	1.78
Air conditioners	2.89	-	-	2.89	0.15	0.18	-	0.33	2.56	2.74
Plant and machinery	2.78	-	-	2.78	0.38	0.18	-	0.56	2.22	2.40
<b>Total</b>	<b>46.74</b>	<b>4.80</b>	<b>0.03</b>	<b>51.51</b>	<b>18.09</b>	<b>5.88</b>	<b>-</b>	<b>23.97</b>	<b>27.54</b>	<b>28.65</b>

Particulars	Gross block				Accumulated amortisation				Net block	
	Balance as at 1 April 2021	Additions	Disposals/ Adjustments	Balance as at 31 March 2022	Balance as at 1 April 2021	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>Goodwill and other intangible assets</b>										
Goodwill	5,649.99	-	-	5,649.99	-	-	-	-	5,649.99	5,649.99
Computer software	1.15	-	-	1.15	0.51	0.18	-	0.69	0.46	0.64
<b>Total</b>	<b>5,651.14</b>	<b>-</b>	<b>-</b>	<b>5,651.14</b>	<b>0.51</b>	<b>0.18</b>	<b>-</b>	<b>0.69</b>	<b>5,650.45</b>	<b>5,650.63</b>

**Kairos Property Managers Private Limited**  
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(All amounts are in INR million unless otherwise stated)

**3 Property, plant and equipment, goodwill and other intangible assets (Continued)**

Particulars	Gross block					Accumulated depreciation					Net block	
	Balance as at 1 April 2020	Addition pursuant to scheme of Amalgamation and Arrangement (net)	Additions	Disposals/ Adjustments	Balance as at 31 March 2021	Balance as at 1 April 2020	Addition pursuant to scheme of Amalgamation and Arrangement (net)	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
<b>Property, plant and equipment</b>												
Computers	4.64	0.43	0.54	-	5.61	2.63	0.10	1.38	-	4.11	1.51	2.01
Office Equipments	0.11	0.89	1.62	-	2.62	0.02	0.12	0.32	-	0.46	2.16	0.09
Furniture and fixtures	1.14	27.91	0.09	0.09	29.05	0.17	8.79	3.27	0.04	12.19	16.86	0.97
Vehicle	1.60	-	-	-	1.60	0.21	-	0.19	-	0.40	1.20	1.39
Electric equipments	-	2.16	0.03	-	2.19	-	0.20	0.21	-	0.41	1.78	-
Air conditioners	-	0.38	2.51	-	2.89	-	0.04	0.11	-	0.15	2.74	-
Plant and machinery	-	2.20	0.58	-	2.78	-	0.22	0.16	-	0.38	2.40	-
<b>Total</b>	<b>7.49</b>	<b>33.97</b>	<b>5.37</b>	<b>0.09</b>	<b>46.74</b>	<b>3.03</b>	<b>9.47</b>	<b>5.64</b>	<b>0.04</b>	<b>18.09</b>	<b>28.65</b>	<b>4.46</b>

Particulars	Gross block					Accumulated amortisation					Net block	
	Balance as at 1 April 2020	Addition pursuant to scheme of Amalgamation and Arrangement	Additions	Disposals/ Adjustments	Balance as at 31 March 2021	Balance as at 1 April 2020	Addition pursuant to scheme of Amalgamation and Arrangement	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
<b>Goodwill and other intangible assets</b>												
Goodwill	5,649.99	-	-	-	5,649.99	-	-	-	-	-	5,649.99	-
Computer software	1.15	-	-	-	1.15	0.33	-	0.18	-	0.51	0.64	0.82
<b>Total</b>	<b>5,651.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,651.14</b>	<b>0.33</b>	<b>-</b>	<b>0.18</b>	<b>-</b>	<b>0.51</b>	<b>5,650.63</b>	<b>0.82</b>

**Note 3(a) Impairment testing of goodwill**

Goodwill represents excess of purchase consideration over net assets acquired in business combination. This is monitored by the management at the level of cash generating unit (CGU) and is tested annually for impairment.

The recoverable amount of cash generating unit was based on its value in use.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

- i. The anticipated annual revenue growth and margin included in the cash flows projections are based on the market operating results and the 5-10 year business plan in all periods presented.
- ii. The terminal growth rate representing market view on the future long-term growth rate.
- iii. Discount rate (pre-tax) 11.75% to 13% (31 March 2022 : 11.5% and 31 March 2021 : 13%) considered in determining the recoverable amount of CGU. The discount rate was estimated based on weighted average cost of capital.
- iv. Occupancy rate from 77% to 95.2% (31 March 2022 : 68.7% to 95.9% and 31 March 2021 50% to 80%) in determining the recoverable amount of CGU.

No impairment of goodwill was identified as at 31 March 2023, 31 March 2022 and 31 March 2021.



4 Investment property and investment property under development

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2022	Additions	Disposals/ Adjustments	Balance as at 31 March 2023	Balance as at 1 April 2022	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
Constructed, given/expected to be given on operating lease										
Land	9,385.68	1.40	-	9,387.08	-	-	-	-	9,387.08	9,385.68
Building	24,286.61	302.45	-	24,589.06	1,766.50	535.16	-	2,301.66	22,287.40	22,520.11
Plant and machinery	40.87	12.17	-	53.04	6.52	2.86	-	9.38	43.66	34.35
Lifts	30.45	7.33	-	37.78	21.29	0.64	-	21.93	15.85	9.16
DG Sets	7.92	37.24	-	45.16	2.70	1.34	-	4.04	41.12	5.22
Air conditioners	62.86	45.20	-	108.06	10.59	5.23	-	15.82	92.24	52.26
Electric equipments	20.94	2.44	-	23.38	6.49	1.77	-	8.26	15.12	14.45
Furniture & fixtures	14.69	79.31	-	94.00	5.34	6.21	-	11.55	82.45	9.35
Office equipments	1.97	16.43	-	18.40	1.33	1.15	-	2.48	15.92	0.64
Kitchen equipments	1.11	1.65	-	2.76	2.76	0.16	-	0.16	2.60	1.11
Computer	-	0.36	-	0.36	-	-	-	-	0.36	-
Electrical Fittings	-	14.14	-	14.14	-	0.78	-	0.78	13.36	-
<b>Sub total</b>	<b>33,853.10</b>	<b>520.12</b>	<b>-</b>	<b>34,373.22</b>	<b>1,820.76</b>	<b>555.30</b>	<b>-</b>	<b>2,376.06</b>	<b>31,997.16</b>	<b>32,032.34</b>
Investment property - under development										
Investment property - under development	422.14	524.99	(415.97)	531.16	-	-	-	-	531.16	422.14
<b>Sub total</b>	<b>422.14</b>	<b>524.99</b>	<b>(415.97)</b>	<b>531.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>531.16</b>	<b>422.14</b>
<b>Total</b>	<b>34,275.23</b>	<b>1,045.11</b>	<b>(415.97)</b>	<b>34,904.38</b>	<b>1,820.76</b>	<b>555.30</b>	<b>-</b>	<b>2,376.06</b>	<b>32,528.33</b>	<b>32,454.48</b>

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2021	Additions	Disposals/ Adjustments	Balance as at 31 March 2022	Balance as at 1 April 2021	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
Constructed, given/expected to be given on operating lease										
Land	9,381.02	4.66	-	9,385.68	-	-	-	-	9,385.68	9,381.02
Building	23,944.44	342.17	-	24,286.61	1,279.62	486.88	-	1,766.50	22,520.11	22,664.83
Plant and machinery	39.14	1.73	-	40.87	3.93	2.59	-	6.52	34.35	35.21
Lifts	30.45	-	-	30.45	15.78	5.51	-	21.29	9.16	14.67
DG Sets	7.92	-	-	7.92	1.96	0.74	-	2.70	5.22	5.96
Air conditioners	61.48	1.39	0.01	62.86	6.61	3.99	0.01	10.59	52.27	54.87
Electric equipments	20.55	0.39	-	20.94	4.48	2.01	-	6.49	14.45	16.07
Furniture & fixtures	14.69	-	-	14.69	3.79	1.55	-	5.34	9.35	10.89
Office equipments	1.88	0.09	-	1.97	1.12	0.21	-	1.33	0.64	0.76
Kitchen equipments	-	1.12	-	1.11	-	-	-	-	1.11	-
<b>Sub total</b>	<b>33,501.57</b>	<b>351.54</b>	<b>0.01</b>	<b>33,853.10</b>	<b>1,317.29</b>	<b>503.48</b>	<b>0.01</b>	<b>1,820.76</b>	<b>32,032.34</b>	<b>32,184.28</b>
Investment property - under development										
Investment property - under development	129.89	369.84	77.59	422.14	-	-	-	-	422.14	129.89
<b>Sub total</b>	<b>129.89</b>	<b>369.84</b>	<b>77.59</b>	<b>422.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422.14</b>	<b>129.89</b>
<b>Total</b>	<b>33,631.46</b>	<b>721.38</b>	<b>77.59</b>	<b>34,275.23</b>	<b>1,317.29</b>	<b>503.48</b>	<b>0.01</b>	<b>1,820.76</b>	<b>32,454.48</b>	<b>32,314.16</b>

4 Investment property and investment property under development (Continued)

Particulars	Gross block					Accumulated depreciation					Net block	
	Balance as at 1 April 2020	Addition pursuant to scheme of Amalgamation and Arrangement (net)	Additions	Disposals/ Adjustments	Balance as at 31 March 2021	Balance as at 1 April 2020	Addition pursuant to scheme of Amalgamation and Arrangement (net)	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
Constructed, given/expected to be given on operating lease												
Land	-	9,326.64	54.38	-	9,381.02	-	-	-	-	-	9,381.02	-
Building	-	22,962.82	982.69	1.07	23,944.44	-	826.30	453.35	0.03	1,279.62	22,664.82	-
Plant and machinery	-	38.01	1.13	-	39.14	-	1.44	2.49	-	3.93	35.21	-
Lifts	-	30.45	-	-	30.45	-	10.22	5.56	-	15.78	14.67	-
DG Sets	-	7.92	-	-	7.92	-	1.21	0.75	-	1.96	5.96	-
Air conditioners	-	59.37	2.12	0.01	61.48	-	2.73	3.88	-	6.61	54.87	-
Electric equipments	-	20.58	-	0.03	20.55	-	2.50	2.00	0.02	4.48	16.07	-
Furniture & fixtures	-	14.72	-	0.03	14.69	-	2.17	1.62	-	3.79	10.90	-
Office equipments	-	1.85	0.03	-	1.88	-	0.90	0.22	-	1.12	0.76	-
<b>Sub total</b>	-	<b>32,462.36</b>	<b>1,040.35</b>	<b>1.14</b>	<b>33,501.57</b>	-	<b>847.47</b>	<b>469.87</b>	<b>0.05</b>	<b>1,317.29</b>	<b>32,184.28</b>	-
<b>Investment property - under development</b>												
Investment property - under development	-	6.95	122.94	-	129.89	-	-	-	-	-	129.89	-
<b>Sub total</b>	-	<b>6.95</b>	<b>122.94</b>	-	<b>129.89</b>	-	-	-	-	-	<b>129.89</b>	-
<b>Total</b>	-	<b>32,469.31</b>	<b>1,163.29</b>	<b>1.14</b>	<b>33,631.46</b>	-	<b>847.47</b>	<b>469.87</b>	<b>0.05</b>	<b>1,317.29</b>	<b>32,314.16</b>	-

(i) **Reconciliation for total depreciation expense:**

Total depreciation on property, plant and equipment for the year  
Total depreciation on investment property for the year  
Amortization of intangible assets  
**Depreciation and amortization expense**

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	7.66	5.88	5.63
	555.30	503.48	469.87
	0.20	0.18	0.18
	<b>563.16</b>	<b>509.54</b>	<b>475.68</b>

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**5.1 Non-current investments**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Quoted Investment in REIT Units</b>			
3,387,637 numbers of units of Brookfield REIT at Nil (31 March 2022 : INR 312.60 per unit and 31 March 2021 INR 223.2 per unit) fair value	-	1,058.98	756.12
	-	1,058.98	756.12
Aggregate book value of quoted investments	-	1,058.98	756.12
Aggregate market value of quoted investments	-	1,058.98	756.12

**5.2 Non current financial assets - Other**

*(Unsecured and considered good)*

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Lease rent equalisation	386.89	340.31	382.35
Security deposits	232.81	232.58	232.23
Derivative assets	132.80	171.70	272.20
Bank deposits due to mature after 12 months of reporting date	-	-	7.06
Interest accrued but not due on fixed deposits	-	-	0.02
	752.50	744.59	893.86

**6 Other tax assets (net)**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for income tax INR 43.79 million (31 March 2022: INR 43.79 million and 31 March 2021: Nil)	528.58	816.93	1,001.78
	528.58	816.93	1,001.78

**7 Other non-current assets**

*(Unsecured and considered good)*

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Capital advances	6.85	15.86	2.71
Prepaid expenses	24.27	2.56	-
	31.12	18.42	2.71

**8.1 Current financial assets - Trade receivables**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Trade receivables- unsecured	130.28	50.06	142.99
Trade receivables which have significant increase in credit risk	3.31	8.05	10.21
Less: loss allowance	(3.31)	(8.05)	(10.21)
	130.28	50.06	142.99

Note: Trade receivables are given as security in respect of secured borrowings taken from banks/others.

**8.2 Current financial assets - Cash and cash equivalents**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance with banks :			
- in current account	20.97	70.74	112.64
- in deposit account (with original maturity of 3 months or less)	429.34	2.30	74.90
	450.31	73.04	187.54

**8.3 Current financial assets -Other bank balances**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance with banks in deposits account (due to mature within 12 months)*	476.91	407.47	8.61
	476.91	407.47	8.61

\*Out of total deposit, INR 27.88 million (31 March 2022: INR 9.28 million and 31 March 2021: Nil) given as security against bank guarantees/LC issued and INR 388.91 million (31 March 2022: INR 388.91 million and 31 March 2021: INR 8.61 million) lien marked in favour of banks / financial institution.

**8.4 Current financial assets - Other**

*(Unsecured and considered good)*

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on fixed deposits	2.11	1.11	0.90
Lease rent equalisation	180.92	166.66	181.03
Other receivables	1.27	-	23.36
Other receivables from related parties	788.80	55.82	318.54
	973.10	223.59	523.83

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**9 Other current assets**

(Unsecured and considered good)

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
<b>To parties other than related parties</b>			
Advances to vendors	9.53	24.56	5.08
Prepaid expenses	14.72	28.68	25.68
Balances with government authorities	4.70	14.82	52.29
Advances to vendors	3.19	3.19	3.20
Less: Allowances for credit loss on advances	(3.19)	(3.19)	(3.20)
	<b>28.95</b>	<b>68.06</b>	<b>83.05</b>

**10.1 Share capital**

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
<b>Authorised</b>			
132,010,000 (31 March 2022: 132,010,000, 31 March 2021: 20,000,000) equity shares of INR 10/- each*	1,320.10	1,320.10	200.00
<b>Issued, subscribed and paid up</b>			
9,759,000 (31 March 2022: 9,759,000, 31 March 2021: 9,759,000) equity shares of INR 10/- each, fully paid up.	97.59	97.59	97.59
	<b>97.59</b>	<b>97.59</b>	<b>97.59</b>

\* Authorised share capital has been increased w.e.f 01 October 2021 pursuant to the Scheme of Amalgamation and Arrangement.

**10.2 Other equity**

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
<b>Securities premium</b>			
Opening balance	877.41	877.41	877.41
Add: Addition during the year	-	-	-
<b>Closing balance</b>	<b>877.41</b>	<b>877.41</b>	<b>877.41</b>
<b>Retained earnings</b>			
Opening balance	(3,046.95)	(2,167.71)	(2,716.17)
Add: Adjustment made pursuant to Scheme of Amalgamation and Arrangement	-	-	767.83
Add: Loss for the year	(431.83)	(772.58)	(466.75)
Add: Other comprehensive income	1.23	0.38	0.27
Add: Income from REIT units directly credited into retained earnings	93.33	360.23	247.11
Add: Adjustment on account of settlement of balance	-	(467.27)	-
<b>Closing balance</b>	<b>(3,384.22)</b>	<b>(3,046.95)</b>	<b>(2,167.71)</b>
<b>Amalgamation adjustment reserves</b>			
<b>Opening balance</b>	620.30	620.30	-
Add: Adjustment made pursuant to Scheme of Amalgamation and Arrangement	-	-	620.30
<b>Closing balance</b>	<b>620.30</b>	<b>620.30</b>	<b>620.30</b>
<b>Total of other equity</b>	<b>(1,886.51)</b>	<b>(1,549.24)</b>	<b>(670.00)</b>

**11.1 Non-current financial liabilities - Borrowings**

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
<b>Secured</b>			
Term loan from others	15,287.56	15,541.26	30,160.45
Term loan from banks	14,046.72	14,038.90	-
Less:- current portion of long term borrowings	(1,905.05)	(258.63)	(577.51)
<b>Unsecured loan</b>			
<b>From related parties*</b>			
12% Non convertible debentures	2,336.51	840.27	359.35
14% Compulsorily convertible debentures	8,072.46	8,971.17	8,179.64
	<b>37,838.20</b>	<b>39,132.97</b>	<b>38,121.93</b>

\*for transaction with related parties refer note 31

**11.2 Non-current financial liabilities - Other**

Particulars	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2021
<b>From related parties (refer note 31)</b>			
Security deposit from occupants	31.37	31.37	27.28
<b>From parties other than related parties</b>			
Security deposit from occupants	746.43	479.31	518.83
	<b>777.80</b>	<b>510.68</b>	<b>546.11</b>

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<b>12 Provisions</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Provision for employee benefits</b>			
- Provision for gratuity	7.17	5.55	3.71
- Provision for compensated absences	2.76	2.09	1.40
	<b>9.93</b>	<b>7.64</b>	<b>5.11</b>
<b>13 Other non-current liabilities</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Deferred income	96.72	90.75	79.22
	<b>96.72</b>	<b>90.75</b>	<b>79.22</b>
<b>14.1 Current financial liabilities - borrowings</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<i>Term loan from Banks / Others</i>			
Current portion of secured long term borrowings	1,905.05	258.63	577.51
	<b>1,905.05</b>	<b>258.63</b>	<b>577.51</b>
<b>14.2 Current financial liabilities - Trade payables</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Total outstanding dues to micro enterprises and small enterprises	61.13	64.19	-
Total outstanding dues to creditors other than micro enterprises and small enterprise	193.33	175.14	130.09
	<b>254.46</b>	<b>239.33</b>	<b>130.09</b>
<b>14.3 Current financial liabilities - Other</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Security deposit from occupants	1,925.27	2,142.45	2,175.57
Retention money	40.05	22.97	12.54
Capital creditors	204.67	232.03	75.68
Employee related payables	4.99	4.08	3.38
Interest accrued but not due on borrowing	3.63	2.74	-
Other payables to related party*	-	123.11	115.11
	<b>2,178.61</b>	<b>2,527.38</b>	<b>2,382.28</b>
*for transaction with related parties refer note 31			
<b>15 Provisions</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Provision for employee benefits</b>			
- Provision for gratuity	0.05	0.03	0.01
- Provision for compensated absences	0.43	0.27	0.23
	<b>0.48</b>	<b>0.30</b>	<b>0.24</b>
<b>16 Other current liabilities</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Statutory dues	210.26	193.30	135.31
Deferred income	91.06	70.45	171.45
Other payables	4.53	9.93	17.10
	<b>305.85</b>	<b>273.68</b>	<b>323.86</b>
<b>17 Current tax liabilities (net)</b>			
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Provision for income tax	3.90	3.90	-
	<b>3.90</b>	<b>3.90</b>	<b>-</b>

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**18 Revenue from operations**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Sale of services*</b>			
Income from operating lease rentals	4,294.22	3,950.24	3,931.17
Income from maintenance services	471.98	290.77	312.06
Property management and development fees	38.86	13.24	95.84
<b>Sale of products</b>			
Income from sale of goods	9.25	-	-
	<b>4,814.31</b>	<b>4,254.25</b>	<b>4,339.07</b>

\*for transaction with related parties refer note 31

**19 Other income**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest income from financial assets at amortised cost</b>			
Interest on fixed deposits	36.82	9.62	5.63
Interest income on inter corporate deposits	-	0.03	-
Interest income on others	16.44	28.89	18.81
<b>Others</b>			
Liabilities/provisions no longer required written back	4.09	4.56	26.48
Interest on income tax refund	29.94	58.02	19.53
Income from sale of scrap	6.51	1.69	0.51
Foreign exchange fluctuation (net)	0.67	-	-
Profit on sale of property, plant and equipment	-	0.01	-
Miscellaneous income	-	0.49	-
	<b>94.47</b>	<b>103.31</b>	<b>70.96</b>

**20 Cost of materials consumed**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Consumption of food and beverages</b>			
Inventory at the beginning of the year	-	-	-
Add: Purchases	8.91	-	-
Less: Inventory at the end of the year	-	-	-
	<b>8.91</b>	<b>-</b>	<b>-</b>

**21 Employee benefits expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	107.34	78.22	63.85
Contributions to provident fund and other funds	6.18	4.34	3.54
Gratuity and compensated absences expense	3.33	2.77	2.45
Staff welfare expenses	3.26	1.02	0.38
	<b>120.11</b>	<b>86.35</b>	<b>70.22</b>

**22 Finance costs**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest and finance charges on financial liabilities at amortised cost</b>			
Interest on term loan from others	2,614.92	2,444.57	2,566.28
Interest on non convertible debentures (refer note 31)	213.55	84.34	12.12
Interest on compulsory convertible debentures (refer note 31)	774.63	922.41	831.57
<b>Others</b>			
Other borrowing costs	103.02	141.72	144.42
	<b>3,706.12</b>	<b>3,593.04</b>	<b>3,554.39</b>

**23 Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property plant and equipment	7.66	5.88	5.63
Depreciation of investment property	555.30	503.48	469.87
Amortisation of intangible assets	0.20	0.18	0.18
	<b>563.16</b>	<b>509.54</b>	<b>475.68</b>

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**24 Other expenses**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Property management and development fees (refer note 31)	229.78	171.52	215.86
Rent and hire charges	7.68	4.46	1.54
Power, fuel and water charges	32.11	15.23	15.84
Travelling expenses	5.02	0.95	1.32
Repairs and maintenance			
- building	220.32	316.35	214.04
- plant and machinery	38.44	39.90	27.12
- others	19.02	15.94	9.38
Insurance	13.37	12.96	11.58
Rates and taxes	167.29	164.89	153.87
Audit fees	6.11	6.17	4.46
Legal and professional expense	91.65	41.67	59.63
Communication (refer note 31)	16.81	12.87	8.06
Credit impaired debt	0.20	20.01	0.50
Allowance for credit loss on trade receivables	-	0.09	4.39
Allowance for credit loss on advances	-	-	0.64
Brokerage expenses	8.93	2.35	3.95
Loss on derivative instrument at fair value through profit and loss	38.90	100.50	27.70
Miscellaneous expenses (refer note 31)	46.68	12.11	17.44
	<b>942.31</b>	<b>937.97</b>	<b>777.32</b>

**25 Tax expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(a) Amount recognized in Statement of Profit and Loss</b>			
<b>Current tax expense/(benefit)</b>			
- for current year	-	3.24	-
- for earlier years	-	-	(0.83)
	<b>-</b>	<b>3.24</b>	<b>(0.83)</b>
<b>Deferred tax expense</b>			
	-	-	-
	<b>-</b>	<b>3.24</b>	<b>(0.83)</b>

**Kairos Property Managers Private Limited**  
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**26 Contingent liability and commitments**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(i) <b>Contingent liability</b>			
Contingent liability	-	-	-
(ii) <b>Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	109.42	204.47	16.86

Kairos has entered into contracts for the management and maintenance of certain commercial properties that are leased to third parties.

**27 Segment Information**

Basis of Segmentation and information about products and services

The Company's board of directors has been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. As the Company is primarily engaged in the business of providing management related service including facilities management service and property management services in India CODM reviews the entire business as a single operating segment and accordingly, Kairos has only one reportable segment and hence, the following entity wide disclosures are made as per Ind AS 108 "Operating Segments":

Particulars	Within India	Outside India	Total
<b>Revenue from operation by location of customers</b>			
Year ended 31 March 2023	4,814.31	-	<b>4,814.31</b>
Year ended 31 March 2022	4,254.25	-	<b>4,254.25</b>
Year ended 31 March 2021	4,339.07	-	<b>4,339.07</b>
<b>Total assets by geographical location</b>			
Year ended 31 March 2023	41,582.08	-	<b>41,582.08</b>
Year ended 31 March 2022	41,593.61	-	<b>41,593.61</b>
Year ended 31 March 2021	41,593.94	-	<b>41,593.94</b>
<b>Capital expenditure by geographical location</b>			
Year ended 31 March 2023	640.74	-	<b>640.74</b>
Year ended 31 March 2022	648.73	-	<b>648.73</b>
Year ended 31 March 2021	1,167.37	-	<b>1,167.37</b>

**Notes:**

(i) Capital expenditure consists of additions of property, plant and equipment, capital work in progress, investment property, investment property under development and intangible assets net of capitalisation from previous year.

(ii) Revenue for the year ended 31 March 2023 includes INR Nil (31 March 2022: INR 516.96 million and 31 March 2021: INR Nil) derived from customer(s) whose individual revenue exceeds 10% of the total revenue for the respective years.

**28 Earnings Per share**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(a) Basic</b>			
Loss for the year (attributable to equity shareholders)	(431.83)	(772.58)	(466.75)
Weighted average number of equity shares outstanding during the period (Numbers)	1,13,66,087	1,18,00,110	1,25,52,570
<b>Basic (loss) per share (face value of Rs. 10) (INR)</b>	<b>(37.99)</b>	<b>(65.47)</b>	<b>(37.18)</b>
<b>(b) Diluted</b>			
Loss for the year (attributable to equity shareholders)	(431.83)	(772.58)	(466.75)
Weighted average number of equity shares for diluted EPS (Numbers)	1,13,66,087	1,18,00,110	1,25,52,570
<b>Diluted (loss) per share (face value of Rs. 10) (INR)*</b>	<b>(37.99)</b>	<b>(65.47)</b>	<b>(37.18)</b>

\* As the effect of compound financial instruments on earning per share is anti-dilutive in the current year as well as in previous years, so diluted earnings per share is same as basic earnings per share.

**Reconciliation of equity shares for basic and diluted EPS**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Number of equity shares at the beginning of the year	97,59,000	97,59,000	97,59,000
<b>Add:</b>			
Equity share to be issued on redemption of convertible debentures	16,07,087	20,41,110	27,93,570
Weighted average no of shares to be considered for EPS	1,13,66,087	1,18,00,110	1,25,52,570
<b>Number of equity shares for basic and diluted EPS</b>	<b>1,13,66,087</b>	<b>1,18,00,110</b>	<b>1,25,52,570</b>

**29 Capital management**

For the purpose of Company capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the parent. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The total debt of the Company includes interest bearing borrowings.

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Total debt (a)	39,743.25	39,391.61	38,699.44
Equity (b)	(1,788.92)	(1,451.65)	(572.41)
<b>Total equity and total debt (a+b) = c</b>	<b>37,954.33</b>	<b>37,939.96</b>	<b>38,127.03</b>
Capital gearing ratio (a/c)	104.71%	103.83%	101.50%



**30 Financial instruments – Fair values and risk management**

**i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value and  
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, Kairos has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	Level of hierarchy	Carrying Amount as at			Fair Value as at		
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>At Amortized Cost</b>							
<b>Financial assets</b>							
Trade receivables #		130.28	50.06	142.99	130.28	50.06	142.99
Cash and cash equivalents #		450.31	73.04	187.54	450.31	73.04	187.54
Other bank balances #		476.91	407.47	8.61	476.91	407.47	8.61
Other financial assets #		1,592.79	796.49	1,145.49	1,592.79	796.49	1,145.49
<b>At FVTPL</b>							
<b>Financial Assets</b>							
Investments	1	-	1,058.98	756.12	-	1,058.98	756.12
Other financial assets ^		132.80	171.70	272.20	132.80	171.70	272.20
<b>Total financial assets</b>		<b>2,783.09</b>	<b>3,616.74</b>	<b>3,269.05</b>	<b>2,783.09</b>	<b>3,616.74</b>	<b>3,269.05</b>
<b>Financial liabilities</b>							
Borrowings@		39,743.25	39,391.61	38,699.44	39,743.25	39,391.61	38,699.44
Trade payables #		254.46	239.33	130.09	254.46	239.33	130.09
Other financial liabilities #		2,956.42	3,038.05	2,928.39	2,956.42	3,038.05	2,928.39
<b>Total financial liabilities</b>		<b>42,954.13</b>	<b>42,668.99</b>	<b>41,757.92</b>	<b>42,954.13</b>	<b>42,668.99</b>	<b>41,757.92</b>

# The fair value of trade receivables, cash and cash equivalents, other current financial assets, trade payables and other current financial liabilities approximate their respective carrying amounts due to short term maturities of these instruments. Further, the fair value disclosure of lease liabilities is not required.

@ The fair value of non-current financial liabilities has been disclosed to be same as carrying value as there is no significant difference in the carrying value and fair value.

^ The fair value of derivative assets (component of compulsorily convertible debentures) is determined on the basis of monte carlo simulation method. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

**ii) Measurement of fair values**

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuations under Level 2. Further, there have been no transfers in either direction for the years ended 31 March 2023, 31 March 2022 and 31 March 2021.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**iii) Details of significant unobservable inputs**

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
<b>Financial asset measured at fair value (Derivative asset component of compulsorily convertible debentures)</b>	
Volatility rate	The estimated fair value would increase/ (decrease) if the volatility rate was higher/ (lower) respectively
Unadjusted equity value	The estimated fair value would increase/ (decrease) if the unadjusted equity value was (lower)/ higher respectively

**iv) Sensitivity analysis of Level 3 fair values**

For the fair value of derivative assets component of compulsorily convertible debentures, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects:

	Profit/ (loss)	
	Increase	Decrease
<b>31 March 2023</b>		
Volatility (1.5% movement)	30.00	(27.00)
Unadjusted equity value (10% movement)	(18.00)	23.00
	<b>Profit/ (loss)</b>	
	<b>Increase</b>	<b>Decrease</b>
<b>31 March 2022</b>		
Volatility (1.5% movement)	31.00	(32.00)
Unadjusted equity value (10% movement)	(23.00)	24.00
	<b>Profit/ (loss)</b>	
	<b>Increase</b>	<b>Decrease</b>
<b>31 March 2021</b>		
Volatility (1.5% movement)	40.00	(38.00)
Unadjusted equity value (10% movement)	(28.00)	34.00

**v) Reconciliation of Level 3 fair values**

Derivative asset/ (liability) component of compulsorily convertible debentures	Amount
<b>Balance as at 1 April 2020</b>	<b>299.90</b>
Gain/ (loss) recognised in profit and loss	(27.70)
<b>Balance as at 31 March 2021</b>	<b>272.20</b>
<b>Balance as at 1 April 2021</b>	<b>272.20</b>
Gain/(loss) recognised in profit and loss	(100.50)
<b>Balance as at 31 March 2022</b>	<b>171.70</b>
<b>Balance as at 1 April 2022</b>	<b>171.70</b>
Gain/(loss) recognised in profit and loss	(38.90)
<b>Balance as at 31 March 2023</b>	<b>132.80</b>

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**31 Related party disclosures**

a. Related parties and nature of the related party relationship where control exists.

Description of relationship	Name of the related party
Ultimate Holding Company	Brookfield Corporation (Formerly known as Brookfield Asset Management Inc.)
Holding Company	Project Diamond Holdings (DIFC) Limited (w.e.f. 23 August 2021) BSREP II India Office Holdings II Pte. Ltd (till 22 August 2021)
Fellow subsidiaries	Brookprop Management Services Private Limited Technology Services Group LLC Equinox Business Parks Private Limited BSREP II India Office Holdings III Pte Ltd. Brookfield Advisors India Private Limited Brookfield India Real Estate Trust (w.e.f. 14 February 2021) Schloss HMA Pvt. Ltd. Schloss Chanakya Pvt. Ltd. Parthos Properties Private Limited (w.e.f. 24 September 2021) Striton Properties Private Limited (w.e.f. 24 September 2021) Aerobode One Private Limited (w.e.f. 24 September 2021) Project Diamond FPI Holding (DIFC) Limited (w.e.f. 23 August 2021) Brookfield HRS TS LLC Arliga India office Parks Private limited Mountainstar India Office Parks Private Limited Cowrks India Private limited Summit Digitel Infrastructure Limited
Key managerial personnel	Nidhi Dhiren Shah (till 12 April 2022) Rashi Paliwal (till 31 January 2022) Pallavi Sadashiv Chaudhari (w.e.f. 12 April 2022) Arun Mittal (w.e.f. 12 April 2022) Sangeeta Pokhriyal (Company Secretary)

b. Transactions with related parties

Nature of transaction / Entity's Name	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Issue of 12% unsecured Non convertible debentures#</b>			
Project Diamond FPI Holdings (DIFC) Limited	1,475.31	1.00	-
BSREP II India Office Holding III Pte Limited	-	399.79	347.89
<b>Sale of Investment in REIT Units</b>			
BSREP II INDIA OFFICE HOLDINGS II PTE. LIMITED	1,117.93	-	-
<b>Interest expenses on unsecured 12% Non convertible debenture</b>			
Project Diamond FPI Holdings (DIFC) Limited	213.55	48.24	-
BSREP II India Office Holding III Pte Limited	-	36.10	12.12
<b>Interest expenses on unsecured 14% compulsory convertible debenture</b>			
Project Diamond Holdings (DIFC) Limited	774.63	533.30	-
BSREP II India Office Holdings II Pte. Ltd.	-	389.11	831.57
<b>Repayment of interest on unsecured 12% Non convertible debenture</b>			
BSREP II India Office Holdings III Pte Ltd.	45.68	-	-
Project Diamond FPI Holdings (DIFC) Limited	151.30	-	-
<b>Repayment of interest on unsecured 14% compulsory convertible debenture</b>			
Project Diamond Holdings (DIFC) Limited	604.73	-	-
BSREP II India Office Holdings II Pte. Ltd.	1,069.30	-	-
<b>Sale of services - Property management and development fees</b>			
Aerobode One Private Limited	19.00	8.55	16.78
Parthos Properties Private Limited	19.58	4.69	2.07
Festus Properties Private Limited	-	-	74.27
<b>Sale of services</b>			
Parthos Properties Private Limited	0.18	0.09	-
Striton Properties Private Limited	0.18	0.09	-
Aerobode One Private Limited	0.18	0.09	-
Brookfield Advisors India Private Limited	-	52.65	-
Schloss HMA Pvt. Ltd.	-	0.27	-
Cowrks India Private limited	73.11	66.31	-
Summit Digitel Infrastructure Limited	8.93	6.35	-
<b>Inter corporate deposit given</b>			
Equinox Business Parks Private Limited	-	100.00	-
<b>Inter corporate deposits, received back</b>			
Equinox Business Parks Private Limited	-	100.00	-
<b>Interest income on inter corporate deposits</b>			
Equinox Business Parks Private Limited	-	0.03	-
<b>Communication</b>			
Technology Services Group LLC	13.85	13.63	5.46
Brookfield HRS TS LLC	4.17	-	-

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<b>Property management fees</b>			
Brookprop Management Services Private Limited	180.65	152.01	183.24
Schloss HMA Pvt. Ltd.	-	1.54	-
<b>Development Management fees</b>			
Brookprop Management Services Private Limited	-	6.81	-
<b>Reimbursement of expenses</b>			
Brookprop Management Services Private Limited	16.48	13.10	7.58
<b>Reimbursement of expenses from</b>			
Festus Properties Private Limited	-	-	2.29
<b>Income from REIT units directly credited into retained earnings</b>			
Brookfield India Real Estate Trust - Interest on shareholder loan	17.99	39.73	-
Brookfield India Real Estate Trust - Distribution received on REIT units	15.96	15.48	-
Brookfield India Real Estate Trust - Dividend Income	0.44	2.16	-
<b>Provision for Gratuity and compensated absences transferred to</b>			
Festus Properties Private Limited	-	-	0.43
Arliga India office Parks Private limited	0.74	-	-
<b>Provision for Gratuity and compensated absences transferred from</b>			
Mountainstar India Office Parks Private Limited	0.57	-	-
Arliga India office Parks Private limited	0.71	-	-
<b>Miscellaneous Expenses</b>			
Schloss HMA Pvt. Ltd.	-	0.56	-
Schloss Chanakya Pvt. Ltd.	0.03	0.01	-
Striton Properties Private Limited	4.18	-	-
<b>Key managerial remuneration*</b>			
Short term employee benefits	9.80	6.43	6.84
<b>Brookfield India Real Estate Trust</b>			
Issue of Unit Capital	-	-	931.60
Transfer of shares of Festus Properties Private Limited	-	-	509.02

\*This amount relates to provision for bonus, gratuity and compensated absences transferred on account of transfer of employees

# These amounts are netted off with the amount of Non - convertible debentures and compulsory convertible debentures transferred to "Resultant Companies" pursuant to the Scheme of Amalgamation and Arrangement.

C	Outstanding balances as at year end/ Entity's Name	31 March 2023	31 March 2022	31 March 2021
	<b>Unsecured 14% compulsorily convertible debentures</b>			
	Project Diamond Holdings (DIFC) Limited	8,072.46	8,971.17	-
	BSREP II India Office Holdings II Pte. Ltd	-	-	8,179.64
	<b>Unsecured 12% non convertible debenture</b>			
	Project Diamond FPI Holdings (DIFC) Limited	2,336.51	792.73	-
	BSREP II India Office Holding III Pte Limited	-	47.54	359.35
	<b>Other long-term liabilities (security deposit)</b>			
	Cowrks India Private limited	31.37	31.37	27.28
	<b>Trade receivable</b>			
	Summit Digital Infrastructure Limited	0.39	0.37	-
	<b>Other current Financial Assets (Other receivables from related parties)</b>			
	Parthos Properties Private Limited	158.59	55.82	-
	Striton Properties Private Limited	583.56	-	-
	Aerobode One Private Limited	59.97	-	-
	<b>Other current Liabilities (Other payables to related party)</b>			
	Striton Properties Private Limited	-	43.54	-
	Aerobode One Private Limited	-	66.24	-
	<b>Trade payables</b>			
	Brookprop Management Services Private Limited	5.38	0.20	7.79
	Technology Services Group LLC	-	2.55	-
	Brookfield HRS TS LLC	3.29	-	-
	Schloss Chanakya Private Limited	0.03	0.01	-
	Striton Properties Private Limited	3.25	-	-
	<b>Advance to vendors</b>			
	Technology Services Group LLC	-	-	4.87
	<b>Investment in REIT units</b>			
	Brookfield India Real Estate Trust	-	1,058.98	756.12

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

For the year ended 31 March 2023, 31 March 2022 and 31 March 2021, Kairos has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

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**32 Accounting of amalgamation as per approved Scheme:**

- (i) Kairos has recorded all the assets and liabilities pertaining to Vrihis and Mars. No adjustments are made to reflect fair values or recognizes any new assets or liabilities;
- (ii) All inter-party transactions and balances including advances, amount receivable or payable or arrangement of any kind, held inter-se between Kairos, Vrihis and Mars, as appearing in their books of accounts, if any, have been cancelled without any further act, instrument or deed;
- (iii) The difference between the book value of assets and liabilities and reserves and after considering the cancellation of inter-company investments, was recognised as Goodwill.
- (iv) Assets and Liabilities pertaining to "certain business units" were carved-out and the difference arising between the assets and liabilities has been recognised as 'Amalgamation adjustment reserve' under 'Other Equity' as at 01 April, 2020, in accordance with the requirements of the Guidance Note.

The book value of assets, liabilities and reserves of Vrihis and Mars, net of assets and liabilities carved out to "certain business units" are as follows:

Particulars	Amount (INR in million)
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	24.49
Investment property	31,614.89
Investment property under development	6.95
Financial assets	
Other financial assets	317.97
Other tax assets (net)	1,054.87
Other non-current assets	6.48
<b>Total non-current assets</b>	<b>33,025.65</b>
<b>Current assets</b>	
Financial assets	
Trade receivables	85.08
Cash and cash equivalents	142.14
Other bank balances	6.54
Other financial assets	581.09
Other current assets	26.65
<b>Total current assets</b>	<b>841.49</b>
<b>Total assets (A)</b>	<b>33,867.14</b>
<b>EQUITY AND LIABILITIES</b>	
Equity share capital	-
Other equity	767.83
<b>Total equity</b>	<b>767.83</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
Borrowings	29,484.11
Other financial liabilities	1,000.05
Provisions	1.70
Other non-current liabilities	168.12
<b>Total non-current liabilities</b>	<b>30,653.98</b>
<b>Current liabilities</b>	
Financial liabilities	
Borrowings	276.93
Trade payables	86.54
Other financial liabilities	1,179.54
Other current liabilities	281.93
Provisions	0.09
<b>Total current liabilities</b>	<b>1,825.03</b>
<b>Total liabilities</b>	<b>32,479.01</b>
<b>Total equity and liabilities (B)</b>	<b>33,246.84</b>
<b>Net assets carved-in (A-B)</b>	<b>620.30</b>

**Accounted in 'Other Equity' as below:**

Amalgamation adjustment reserve	620.30
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- 33 Kairos has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92–92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management is of the opinion that its specified transactions are at the arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- 34 The Company has incurred a net loss before tax of INR 431.83 million during the period ended 31 March 2023 (31 March 2022: INR 769.34 million and 31 March 2021: INR 467.58 million). Further, the Company has negative net worth of INR 1,788.92 million as at 31 March 2023 (31 March 2022: INR 1,451.65 million and 31 March 2021: INR 572.41 million). Notwithstanding past losses and erosion of its net worth, the management of the Company believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment based on continued financial support from the Holding Company including permitted payment of interest on the compulsory convertible debentures and non convertible debentures on the basis of availability of free cash flows with the Company, which is as per the terms of the agreement. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.
- 35 **Disclosure pursuant to amendment to Ind AS 7 (Cash flow statement):**

Particulars	Opening balance 1 April 2022	Cash flows	Non-cash transactions		Closing balance 31 March 2023
			Processing cost	Interest accretion	
Term loan from Banks/Others	29,580.16	(265.68)	19.80	-	29,334.28
Debentures	9,811.44	(390.65)	-	988.18	10,408.97
Interest accrued on Term Loan	2.74	(2,614.03)	-	2,614.92	3.63
	<b>39,394.34</b>	<b>(3,270.36)</b>	<b>19.80</b>	<b>3,603.10</b>	<b>39,746.88</b>

Particulars	Opening balance 1 April 2021	Cash flows	Non-cash transactions		Closing balance 31 March 2022
			Processing cost	Interest accretion	
Term loan from Banks/Others	30,160.45	(595.43)	15.14	-	29,580.16
Debentures	8,538.99	265.71	-	1,006.74	9,811.44
Interest accrued on Term Loan	-	(2,441.83)	-	2,444.57	2.74
	<b>38,699.44</b>	<b>(2,771.55)</b>	<b>15.14</b>	<b>3,451.31</b>	<b>39,394.34</b>

Particulars	Opening balance 1 April 2020	Cash flows	Non-cash transactions		Closing balance 31 March 2021
			Processing cost	Interest accretion	
Term loan from Banks/Others	29,761.04	383.30	16.11	-	30,160.45
Debentures	7,476.23	219.07	-	843.69	8,538.99
Interest accrued on Term Loan	-	(2,566.28)	-	2,566.28	-
	<b>37,237.27</b>	<b>(1,963.91)</b>	<b>16.11</b>	<b>3,409.97</b>	<b>38,699.44</b>

- 36 Subsequent to the year end, the Board of Directors of the Company has passed a resolution on 18 May 2023, wherein it was proposed to transfer the 100% equity share capital and compulsorily convertible debentures (CCDs) of the Company to Brookfield India Real Estate Trust (Brookfield REIT) and Reco Cerium Private Limited, an affiliate of GIC, a global institutional investor, in equal proportion at the acquisition price of INR 65,000 million, subject to adjustments in relation to security deposits, other net liabilities and other adjustments, as per the terms and conditions of the share purchase agreement. The proposed transfer of 100% equity share capital and CCDs have been approved by the unitholders of the Brookfield REIT in the extraordinary meeting held on 12 June 2023.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

For and on behalf of the **Board of Directors of**  
**Kairos Property Managers Private Limited**

**David Jones**  
Partner  
Membership No: 098113

Place: Gurugram  
Date: 25 July 2023

**Pallavi Sadashiv Chaudhari**  
Managing Director  
DIN : 09555939

Place: Mumbai  
Date: 25 July 2023

**Hubert Ignateus Pinto**  
Director  
DIN : 08975063

**Place: Mumbai**  
Date: 25 July 2023

**Sangeeta Pokhriyal**  
Company Secretary  
Membership No.: ACS 26048

Place: Gurugram  
Date: 25 July 2023

**Arun Mittal**  
Chief financial Officer

Place: Gurugram  
Date: 25 July 2023

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Candor Gurgaon One Realty Projects Private Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Candor Gurgaon One Realty Projects Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (together referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India (refer Note 37 to the financial statements).
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.



- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit

log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-

**Rajendra Sharma**

(Partner)

(Membership No. 119925)

(UDIN: 23119925BGZBIK8851)

Place: Mumbai

Date: 30 June 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Candor Gurgaon One Realty Projects Private Limited** ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, 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, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
**Rajendra Sharma**  
(Partner)  
(Membership No. 119925)  
(UDIN: 23119925BGZBIK8851)

Place: Mumbai  
Date: 30 June 2023

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Properties.  
  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has a program of verification of Property, Plant and Equipment and Investment Properties so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of Property, Plant and Equipment and Investment Properties were due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) Based on our examination of the transfer deed and occupancy certificates provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in Property, Plant and Equipment and investment properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.  
  
(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under sub section 1 of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount Involved#	Amount paid under protest
				(Rs. INR millions)	(Rs. INR millions)
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2008-09	5.92	4.72
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2009-10	1.33	1.33
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2011-12	10.89	10.89
Income Tax Act, 1961	Income Tax- Penalty Proceedings	Commissioner of Income Tax (Appeals)	AY 2013-14	6.75	NIL
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2014-15	2.23	2.23
Income Tax Act, 1961	Income Tax	Income Tax Appellate tribunal	AY 2015-16	13.47	NIL
Income Tax Act, 1961	Income Tax	Income Tax Appellate tribunal	AY 2016-17	3.65	3.65
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)- TDS	AY 2017-18	9.18	NIL
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2018-19	31.50	NIL

# The amounts presented above are as per demand order.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
  - (f) The Company does not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2022 and the draft of the internal audit reports

where issued after the balance sheet date covering the period January 2023 to March 2023 for the period under audit.

- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a), (b), (c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 12.33 million during the financial year covered by our audit and Rs. 193.87 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-

**Rajendra Sharma**

(Partner)

(Membership No. 119925)

(UDIN: 23119925BGZBIK8851)

Place: Mumbai

Date: 30 June 2023



**Balance Sheet as at 31 March 2023**

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	46.16	44.45
Intangible assets	3	0.19	0.43
Investment property	4	22,261.47	22,653.25
Investment property under development	4	194.79	6.16
Financial assets			
-Other financial assets	5	368.53	263.14
Non-current tax assets (net)	6	225.15	878.92
Other non-current assets	7	10.47	33.18
<b>Total non-current assets</b>		<b>23,106.76</b>	<b>23,879.53</b>
<b>Current assets</b>			
Financial assets			
-Trade receivables	8.1	23.37	17.13
-Cash and cash equivalents	8.2 (a)	773.20	149.04
-Other bank balances	8.2 (b)	159.23	74.04
-Loans	8.3	-	-
-Other financial assets	8.4	69.72	69.95
Other current assets	9	30.75	63.58
<b>Total current assets</b>		<b>1,056.27</b>	<b>373.74</b>
<b>TOTAL ASSETS</b>		<b>24,163.03</b>	<b>24,253.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10.1	0.10	0.10
Other equity	10.2	(9,377.90)	(8,923.76)
<b>Total equity</b>		<b>(9,377.80)</b>	<b>(8,923.66)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
-Borrowings	11	26,958.67	27,915.12
-Other financial liabilities	12	426.24	426.60
Deferred tax liabilities (net)	13	2,516.65	2,614.73
Other non-current liabilities	14	101.34	67.97
<b>Total non-current liabilities</b>		<b>30,002.90</b>	<b>31,024.42</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	1,909.25	636.42
Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		21.49	20.62
- Total outstanding dues of creditors other than micro enterprises and small enterprises		118.01	115.46
Other financial liabilities	17	1,400.04	1,299.86
Other current liabilities	18	79.71	72.22
Current tax liabilities (net)	19	9.43	7.93
<b>Total current liabilities</b>		<b>3,537.93</b>	<b>2,152.51</b>
<b>Total liabilities</b>		<b>33,540.83</b>	<b>33,176.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,163.03</b>	<b>24,253.27</b>

Significant accounting policies

2

The accompanying notes from 1 to 39 form an integral part of these financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Rajendra Sharma**  
Partner  
Membership No: 119925

**Deepak Gupta**  
Director  
DIN: 09631188

**Munish Dayal Mathur**  
Director  
DIN: 09514930

Place: Mumbai  
**Date : 30 June 2023**

Place: Gurugram  
**Date : 27 June 2023**

Place: Gurugram  
**Date : 27 June 2023**

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Statement of profit and loss for the year ended 31 March 2023**

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	20	3,556.18	3,088.67
Other income	21	92.03	13.03
<b>Total income</b>		<b>3,648.21</b>	<b>3,101.70</b>
<b>Expenses</b>			
Finance costs	22	2,741.98	2,499.32
Depreciation and amortisation expense	23	539.88	540.48
Other expenses	24	918.71	796.26
<b>Total expenses</b>		<b>4,200.57</b>	<b>3,836.06</b>
<b>(Loss) before tax</b>		<b>(552.36)</b>	<b>(734.36)</b>
<b>Tax expense:</b>			
Current tax	13		
-for current years		-	-
-for earlier years		(0.15)	-
Deferred tax (credit)	13	(98.07)	(79.39)
<b>(Loss) for the year</b>		<b>(454.14)</b>	<b>(654.97)</b>
<b>Other comprehensive income</b>			-
<b>Total comprehensive (loss) for the year</b>		<b>(454.14)</b>	<b>(654.97)</b>
<b>(Loss) per equity share (nominal value of equity share INR 10 (previous year INR 10) each)</b>			
Basic (in INR)	29	(23,674.09)	(34,143.01)
Diluted (in INR)		(23,674.09)	(34,143.01)
Significant accounting policies	2		

The accompanying notes from 1 to 39 form an integral part of these financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Rajendra Sharma**  
Partner  
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Director  
DIN: 09514930

Place: Mumbai  
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Place: Gurugram  
**Date : 27 June 2023**

Place: Gurugram  
**Date : 27 June 2023**

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Statement of cash flows the year ended 31 March 2023**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from operating activities:</b>		
(Loss) before tax	(552.36)	(734.36)
Adjustments for:		
Depreciation and amortization expenses	539.88	540.48
Interest income on fixed deposit	(26.19)	(11.90)
Advances written off	-	0.02
Credit Impaired	7.07	2.09
Finance cost	2,741.98	2,499.32
Deferred income amortization	(59.08)	(40.71)
Liabilities no longer required written back	(2.05)	(0.03)
<b>Operating cash flow before working capital changes</b>	<b>2,649.25</b>	<b>2,254.91</b>
<b>Adjustments:</b>		
Decrease in other current and non current assets	32.67	12.72
(Increase) / Decrease in current and non current financial assets	(107.46)	84.61
(Decrease) / Increase in current and non current financial liabilities	(98.25)	88.23
(Decrease) in other current and non current liabilities	(4.66)	(64.42)
<b>Cash flows generated from operating activities</b>	<b>2,471.55</b>	<b>2,376.05</b>
Income tax refund / (paid)	655.41	(69.40)
<b>Net cash flows generated from operating activities (A)</b>	<b>3,126.96</b>	<b>2,306.65</b>
<b>Cash flow from investing activities:</b>		
Expenditure incurred on investment property	(265.12)	(282.43)
Purchase of property, plant and equipment	(7.66)	(11.17)
Fixed deposits matured*	222.66	81.86
Fixed deposits made*	(308.01)	(154.91)
Interest received on fixed deposit	17.39	6.40
<b>Net cash (used in) investing activities (B)</b>	<b>(340.74)</b>	<b>(360.25)</b>
<b>Cash flow from financing activities:</b>		
Finance cost paid	(2,532.87)	(2,352.82)
Proceeds from long-term borrowings	825.00	400.00
Repayment of long-term borrowing	(454.19)	(357.54)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,162.06)</b>	<b>(2,310.36)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>624.16</b>	<b>(363.96)</b>

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Statement of cash flows the year ended 31 March 2023**

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
<b>Cash and cash equivalents at the beginning of the year (refer note 8.2)</b>		
Balances with banks		
-in current account	58.54	48.24
-in deposit account	90.50	464.76
	<b>149.04</b>	<b>513.00</b>
<b>Cash and cash equivalents at the end of the year (refer note 8.2(a))</b>		
	<b>773.20</b>	<b>149.04</b>
<b>Components of cash and cash equivalents at the end of the year</b>		
Balances with banks		
- in current account	9.20	58.54
- in deposit account	764.00	90.50
	<b>773.20</b>	<b>149.04</b>

\* Represents fixed deposits with original maturity of more than 3 months.

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

2. Refer note 24(b) for Corporate Social Responsibility expense.

3. Refer note 11(c) for changes in liabilities arising from financing activities.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 39 form an integral part of these financial statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm Registration No. 015125N

**Rajendra Sharma**

Partner

Membership No: 119925

Place: Mumbai

**Date : 30 June 2023**

For and on behalf of the **Board of Directors** of

**Candor Gurgaon One Realty Projects Private Limited**

**Deepak Gupta**

Director

DIN: 09631188

Place: Gurugram

**Date : 27 June 2023**

**Munish Dayal Mathur**

Director

DIN: 09514930

Place: Gurugram

**Date : 27 June 2023**

Statement of changes in equity for the year ended 31 March 2023

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

(a) Equity share capital

a) As at 31 March 2023

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
0.10	-	-	-	0.10

b) As at 31 March 2022

Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
0.10	-	-	-	0.10

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

(b) Other equity

As at 31 March 2023

Particulars	Equity component of compound financial instruments #	Reserves and Surplus		Total
		Securities premium account *	Accumulated (deficit)	
Balance at the beginning of the current reporting period	374.34	0.15	(9,298.25)	(8,923.76)
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Dividends	-	-	-	-
(Loss) after tax	-	-	(454.14)	(454.14)
Other comprehensive (loss) / income for the year net of tax	-	-	-	-
Conversion of 15% unsecured compulsorily convertible debentures	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>374.34</b>	<b>0.15</b>	<b>(9,752.39)</b>	<b>(9,377.90)</b>

As at 31 March 2022

Particulars	Equity component of compound financial instruments #	Reserves and Surplus		Total
		Securities premium account *	Accumulated (deficit)	
Balance at the beginning of the current reporting period	374.34	0.15	(8,643.28)	(8,268.79)
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Dividends	-	-	-	-
(Loss) after tax	-	-	(654.97)	(654.97)
Other comprehensive (loss) / income for the year net of tax	-	-	-	-
Conversion of 15% unsecured compulsorily convertible debentures	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>374.34</b>	<b>0.15</b>	<b>(9,298.25)</b>	<b>(8,923.76)</b>

# It represents the equity component of compound financial instruments computed in accordance with Ind AS.

\*Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 39 form an integral part of these financial statements.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS

Chartered Accountants  
Firm Registration No. 015125N

Rajendra Sharma  
Partner  
Membership No: 119925

Place: Mumbai  
Date : 30 June 2023

For and on behalf of the Board of Directors of  
Candor Gurgaon One Realty Projects Private Limited

Deepak Gupta  
Director  
DIN: 09631188

Place: Gurugram  
Date : 27 June 2023

Munish Dayal Mathur  
Director  
DIN: 09514930

Place: Gurugram  
Date : 27 June 2023

## **Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2023**

#### **1. Corporate Information**

Candor Gurgaon One Realty Projects Private Limited (“the Company”) is in the business of developing commercial real estate property in India. It is primarily involved in developing and leasing of investment property in IT/ITeS Special Economic Zone (SEZ). The Company is developing a project in Tikri, Gurugram. The project has been notified as Special Economic Zone (SEZ) by the Government of India.

#### **2. Basis of preparation of financial statements and significant accounting policies**

##### **2.1 Basis of preparation**

###### **i) Statement of Compliance**

These Ind AS Financial statements (“financial statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act. All the amounts included in the financial statements are reported in millions of Indian Rupees and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements are authorized for issue by the Board of Directors on 27 June 2023.

###### **ii) Historical cost convention**

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

##### **2.2 Significant accounting policies**

###### **a) Functional and presentation currency**

The Financial Statements are presented in Indian rupees, which is the Company’s functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded off to nearest million except unit and per unit data.

###### **b) Basis of measurement**

The Financial Statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

The Financial Statements have been prepared on a going concern basis.

###### **c) Use of judgments and estimates**

The preparation of Financial Statements in conformity with generally accepted accounting principles in India (Ind AS) 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.

## **Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2023**

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 Financial Statements is included in the following notes:

- (i) determination of useful life of investment property (Note 2.2 (f))
- (ii) determination of recoverable amount / fair value of investment property (Note 2.2 (f) and Note 4)
- (iii) determination of lease term (Note 2.2 (k))
- (iv) recognition / recoverability of deferred tax assets (Note 2.2 (m) and Note 13)

#### **d) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Company classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/ liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **e) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

## **Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2023**

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurement framework is adopted by the company to determine the fair value of various assets and liabilities measured or disclosed at fair value.

#### **f) Investment properties**

##### *Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, import duties and other non-refundable purchase taxes, borrowing costs directly attributable to the development and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

##### *Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in Statement of profit and loss.

##### *Depreciation*

Investment property is depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.



**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023**

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of the investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	15
Furniture and Fixtures	10
Electrical fittings	10
Diesel generator sets	15
Air conditioners	5 – 15
Office Equipment	5 – 10
Computers	3 – 6
Electric Equipment	10
Kitchen Equipment	5

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its investment property recognized as at transition date, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Fair values are determined by an independent registered valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**g) Property, plant and equipment and intangible assets***Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized.

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023**

Any gain or loss from disposal of a property, plant and equipment is recognized in Statement of profit and loss.

*Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

Estimated useful lives of items of property, plant and equipment are tabulated as follows: -

<b>Particulars</b>	<b>Useful Life (Years)</b>
Plant and Machinery	10 – 15
Furniture and Fixtures	5 – 10
Electrical fittings	10
Air conditioners	5
Office Equipment	1 – 5
Computers	1 – 6
Computer Software	1 – 5
Diesel generator sets	15
Vehicle	8

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of over 5 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as at transition date, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment and intangible assets.

**h) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment

## **Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2023**

testing for an asset is required, the Company estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **i) Foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the Statement of profit and loss.

#### **j) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## **Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2023**

#### **(i) Financial Assets - Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

##### **• Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

##### **• Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

##### **• Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

## **Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2023**

#### **• Equity instruments measured at fair value through other comprehensive income (FVOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

#### **(ii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **(iii) Impairment of financial assets**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date, is recognized as an impairment gain or loss in the Statement of Profit and Loss.

Trade Receivables are generally written off against the allowance only after all means of collection have been exhausted and the potential for recovery is considered remote.

#### **(iv) Financial liabilities – Recognition and Subsequent measurement**

The Company's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

The Company's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.

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The measurement of financial liabilities depends on their classification, as described below:

#### **• Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

#### **• Financial liabilities at amortized cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### **(v) Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

#### **(vi) Income/loss recognition**

##### **• Interest income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the

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contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### **• Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The Company considers practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

#### **(viii) Compound financial instruments**

Compound financial instruments issued by the Company comprise convertible debentures denominated in Indian Rupees that can be converted to ordinary shares at the option of the holder and issuer, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at fair value calculated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the EIR method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in Statement of profit and loss. On conversion at maturity and early conversion, the financial liability, if any, is reclassified to equity and no gains or losses are recognized.

#### **k) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

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- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

#### **As a lessee**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company has also availed the option of recognizing right-of-use asset equivalent to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of transition to Ind AS.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.



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When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other financial liabilities (current and non-current)' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term

#### **As a Lessor**

The Company enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration under the contract to each component.

#### **1) Revenue recognition**

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Ind AS 115 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The Company's revenue from leases is outside the scope of Ind AS 115. The Company's material revenue streams subject to Ind AS 115 is non-lease components within lease arrangements arising from the recovery of certain operating expenses from tenants.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves

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significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

#### *i. Income from Operating Lease Rentals*

Assets given by the Company under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, management considers all facts and circumstances including renewal, termination and market conditions.

Income from Operating Lease Rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

#### *ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when the Company has satisfied its performance obligation by delivering services as per terms of contract entered into with tenants.

### **m) Taxation**

Income tax expense comprises current and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

#### *(i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### *(ii) Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

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- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets—unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

#### **n) Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

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### **Notes to the financial statements for the year ended 31 March 2023**

#### **o) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### ***Identification of segments:***

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Based on an analysis of Company's structure and powers conferred, the Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Company is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

#### **p) Subsequent events**

The Financial Statements are prepared after reflecting adjusting and non-adjusting events that occur after the reporting period but before the Financial Statements are authorized for issue.

#### **q) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **r) Earnings per share**

Basic earnings per share are calculated by dividing the net profit / (loss) for the period attributable to equity share holders of the Company by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity share holders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

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**2.3 Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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3 Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2022	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2023	Balance as at 1 April 2022	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
<b>Assets (site)</b>										
Air conditioners	0.05	-	-	0.05	0.05	-	-	0.05	-	-
Plant and machinery	0.98	-	-	0.98	0.50	0.10	-	0.60	0.38	0.48
Furniture and fixtures	3.89	-	-	3.89	2.15	0.52	-	2.67	1.22	1.74
Office equipments	1.25	-	-	1.25	1.09	0.15	-	1.24	0.01	0.16
Electrical fittings	1.59	-	-	1.59	0.69	0.17	-	0.86	0.73	0.90
Computer hardwares	6.46	-	-	6.46	5.73	0.40	-	6.13	0.33	0.73
<b>Sub total</b>	<b>14.22</b>	<b>-</b>	<b>-</b>	<b>14.22</b>	<b>10.21</b>	<b>1.34</b>	<b>-</b>	<b>11.55</b>	<b>2.67</b>	<b>4.01</b>
<b>Assets (maintenance)</b>										
Computer hardwares	0.23	-	-	0.23	0.22	0.01	-	0.23	-	0.01
Plant and machinery	40.32	2.32	-	42.64	5.49	2.88	-	8.37	34.27	34.83
Furniture and fixtures	6.04	1.54	-	7.58	1.77	0.93	-	2.70	4.88	4.27
Office equipments	1.79	3.65	-	5.44	0.66	0.69	-	1.35	4.09	1.13
Air conditioners	0.87	0.15	-	1.02	0.67	0.10	-	0.77	0.25	0.20
<b>Sub total</b>	<b>49.25</b>	<b>7.66</b>	<b>-</b>	<b>56.91</b>	<b>8.81</b>	<b>4.61</b>	<b>-</b>	<b>13.42</b>	<b>43.49</b>	<b>40.44</b>
<b>TOTAL</b>	<b>63.47</b>	<b>7.66</b>	<b>-</b>	<b>71.13</b>	<b>19.02</b>	<b>5.95</b>	<b>-</b>	<b>24.97</b>	<b>46.16</b>	<b>44.45</b>

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2022	Additions during the year	Deletions/ Adjustments	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deletions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>Intangible assets</b>										
Computer Software	1.20	-	-	1.20	0.77	0.24	-	1.01	0.19	0.43
<b>Total</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>1.20</b>	<b>0.77</b>	<b>0.24</b>	<b>-</b>	<b>1.01</b>	<b>0.19</b>	<b>0.43</b>

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**Notes to the financial statements for the year ended 31 March 2023**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2021	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 1 April 2021	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>Assets (site)</b>										
Air conditioners	0.05	-	-	0.05	0.05	-	-	0.05	-	-
Plant and machinery	0.98	-	-	0.98	0.40	0.10	-	0.50	0.48	0.58
Furniture and fixtures	3.89	-	-	3.89	1.63	0.52	-	2.15	1.74	2.26
Office equipments	1.25	-	-	1.25	0.82	0.27	-	1.09	0.16	0.43
Electrical fittings	1.59	-	-	1.59	0.52	0.17	-	0.69	0.90	1.07
Computer hardwares	6.46	-	-	6.46	5.28	0.45	-	5.73	0.73	1.18
<b>Sub total</b>	<b>14.22</b>	<b>-</b>	<b>-</b>	<b>14.22</b>	<b>8.70</b>	<b>1.51</b>	<b>-</b>	<b>10.21</b>	<b>4.01</b>	<b>5.52</b>
<b>Assets (maintenance)</b>										
Computer hardwares	0.23	-	-	0.23	0.17	0.05	-	0.22	0.01	0.06
Plant and machinery	31.63	8.69	-	40.32	3.46	2.03	-	5.49	34.83	28.17
Furniture and fixtures	4.45	1.59	-	6.04	1.00	0.77	-	1.77	4.27	3.45
Office equipments	0.90	0.89	-	1.79	0.35	0.31	-	0.66	1.13	0.55
Air conditioners	0.87	-	-	0.87	0.48	0.19	-	0.67	0.20	0.39
<b>Sub total</b>	<b>38.08</b>	<b>11.17</b>	<b>-</b>	<b>49.25</b>	<b>5.46</b>	<b>3.35</b>	<b>-</b>	<b>8.81</b>	<b>40.44</b>	<b>32.62</b>
<b>TOTAL</b>	<b>52.30</b>	<b>11.17</b>	<b>-</b>	<b>63.47</b>	<b>14.16</b>	<b>4.86</b>	<b>-</b>	<b>19.02</b>	<b>44.45</b>	<b>38.14</b>

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2021	Additions during the year	Deletions/ Adjustments	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deletions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 1 April 2021
<b>Intangible assets</b>										
Computer Software	1.20	-	-	1.20	0.53	0.24	-	0.77	0.43	0.67
<b>Total</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>1.20</b>	<b>0.53</b>	<b>0.24</b>	<b>-</b>	<b>0.77</b>	<b>0.43</b>	<b>0.67</b>

Refer note 11 (a.1) in respect of property, plant and equipment given as security in respect of secured borrowing taken from financial institutions.

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023**

**4 Investment property**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2022	Additions during the year	Deletions/ Adjustments	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deletions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>Assets (constructed), given/expected to be given on operating lease</b>										
Freehold land	6,792.00	-	-	6,792.00	-	-	-	-	6,792.00	6,792.00
Air conditioners	935.86	12.77	-	948.63	240.59	70.03	-	310.62	638.01	695.27
Electrical equipments	897.06	11.58	-	908.64	344.63	103.90	-	448.53	460.11	552.43
Plant and machinery	769.04	18.69	-	787.73	201.23	57.58	-	258.81	528.92	567.81
Buildings*	14,518.41	295.50	227.59	14,586.32	882.09	279.55	24.99	1,136.65	13,449.67	13,636.32
Office equipments	14.25	0.94	-	15.19	2.90	2.60	-	5.50	9.69	11.35
Diesel generator sets	477.68	1.55	-	479.23	138.20	37.20	-	175.40	303.83	339.48
Furniture and fixtures	64.72	28.86	-	93.58	8.93	7.26	-	16.19	77.39	55.79
Computers	7.86	0.95	-	8.81	5.44	1.72	-	7.16	1.65	2.42
<b>Sub total</b>	<b>24,476.88</b>	<b>370.84</b>	<b>227.59</b>	<b>24,620.13</b>	<b>1,824.01</b>	<b>559.84</b>	<b>24.99</b>	<b>2,358.86</b>	<b>22,261.27</b>	<b>22,652.87</b>
<b>Assets (food court), given/expected to be given on operating lease</b>										
Data processing Machines	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	1.11	-	-	1.11	0.73	0.18	-	0.91	0.20	0.38
Air conditioners	0.04	-	-	0.04	0.04	-	-	0.04	-	-
Kitchen equipments	1.51	-	-	1.51	1.51	-	-	1.51	-	-
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-	-
<b>Sub total</b>	<b>2.70</b>	<b>-</b>	<b>-</b>	<b>2.70</b>	<b>2.32</b>	<b>0.18</b>	<b>-</b>	<b>2.50</b>	<b>0.20</b>	<b>0.38</b>
<b>Investment property - under development #</b>										
Capital work in progress (CWIP)	6.16	502.20	313.57	194.79	-	-	-	-	194.79	6.16
<b>Total</b>	<b>24,485.74</b>	<b>873.04</b>	<b>541.16</b>	<b>24,817.62</b>	<b>1,826.33</b>	<b>560.02</b>	<b>24.99</b>	<b>2,361.36</b>	<b>22,456.26</b>	<b>22,659.41</b>

#The amount of INR 313.57 million shown under "Deletions/Adjustments" represents capitalization during the year.

\*The amount of INR 227.59 million and INR 24.99 million shown under "Deletions/Adjustments" under "Gross Block" and "Accumulated depreciation" respectively represents adjustment to cost due to refund received during the year on account of excess statutory charges paid and capitalized in earlier years.



**Candor Gurgaon One Realty Projects Private Limited**

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(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2021	Additions during the year	Deletions/ Adjustments	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deletions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
<b>Assets (constructed), given/expected to be given on operating lease</b>										
Freehold land	6,792.00	-	-	6,792.00	-	-	-	-	6,792.00	6,792.00
Air conditioners	925.54	10.32	-	935.86	171.24	69.35	-	240.59	695.27	754.30
Electrical equipments	881.15	15.91	-	897.06	241.73	102.90	-	344.63	552.43	639.42
Plant and machinery	749.23	19.81	-	769.04	144.82	56.41	-	201.23	567.81	604.41
Buildings	14,332.94	185.47	-	14,518.41	618.91	263.18	-	882.09	13,636.32	13,714.03
Office equipments	7.08	7.17	-	14.25	1.01	1.89	-	2.90	11.35	6.07
Diesel generator sets	451.80	25.88	-	477.68	102.81	35.39	-	138.20	339.48	348.99
Furniture and fixtures	40.72	24.00	-	64.72	3.73	5.20	-	8.93	55.79	36.99
Computers	6.89	0.97	-	7.86	3.05	2.39	-	5.44	2.42	3.84
<b>Sub total</b>	<b>24,187.35</b>	<b>289.53</b>	<b>-</b>	<b>24,476.88</b>	<b>1,287.30</b>	<b>536.71</b>	<b>-</b>	<b>1,824.01</b>	<b>22,652.87</b>	<b>22,900.05</b>
<b>Assets (food court), given/expected to be given on operating lease</b>										
Data processing Machines	0.00	-	-	0.00	0.00	-	-	0.00	-	-
Furniture and fixtures	1.11	-	-	1.11	0.55	0.18	-	0.73	0.38	0.56
Air conditioners	0.04	-	-	0.04	0.04	-	-	0.04	-	-
Kitchen equipments	1.51	-	-	1.51	1.51	-	-	1.51	-	-
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-	-
<b>Sub total</b>	<b>2.70</b>	<b>-</b>	<b>-</b>	<b>2.70</b>	<b>2.14</b>	<b>0.18</b>	<b>-</b>	<b>2.32</b>	<b>0.38</b>	<b>0.56</b>
<b>Investment property - under development #</b>										
Capital work in progress (CWIP)	6.08	272.08	272.00	6.16	-	-	-	-	6.16	6.08
<b>Total</b>	<b>24,196.13</b>	<b>561.61</b>	<b>272.00</b>	<b>24,485.74</b>	<b>1,289.44</b>	<b>536.89</b>	<b>-</b>	<b>1,826.33</b>	<b>22,659.41</b>	<b>22,906.69</b>

#The amount of INR 272.00 million shown under "Deletions/Adjustments" represents capitalization during the year.

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023****Foot note:**

(i) Borrowing costs capitalized during the year amounts to INR Nil (previous year - INR 0.32 million) (refer note 22). Capitalization rate for the year - Nil (previous year 8.61%)

(ii) Refer note 20 for future minimum lease payments under non cancellable operating leases in respect of investment properties given on lease.

(iii) The fair value of investment property (including under development) as at 31 March 2023 has been determined as INR 47,250 million, which is based on recent transaction price determined after the end of the reporting period (refer note 38) as it provides the best available source of evidence of the value of the investment property at the end of the reporting period. This amount includes impact of income support agreement entered into between the Company and Mountainstar India Office Parks Private Limited (MIOP) for provision of income support to the Company ("Income Support Agreement") for an eligible area of 1.2 million square feet, as set out in the Income Support Agreement, for an amount not exceeding Rs 2,000 million in the manner agreed among the parties and in accordance with the terms of the Income Support Agreement.

The fair value of investment property (including under development) as at 31 March 2022 amounted to INR 49,820 million, as per valuations performed by Mr. Shubhendu Saha ("the Valuer"). The Valuer for the Investment Property is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since 15 May 2019. The fair value had been determined using discounted cash flow projections based on estimates of future cash flows. The main inputs used were achievable market rent, rental growth rate, expected vacancy rate, discount rate and capitalization rate based on comparable transactions and industry data. The fair value measurement of investment property has been categorized as Level 3.

(iv) The Company being a SEZ, has restrictions on the realisability of its investment properties. Further there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(v) Refer note 11 (a.1) in respect of investment property given as security in respect of secured borrowing taken from financial institutions

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

(vi) Capital work in progress (CWIP) aging schedule :

As at 31 March 2023	Amount in CWIP for a period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	191.80	2.80	0.00	0.19	194.79
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022	Amount in CWIP for a period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.89	-	0.27	-	6.16
Projects temporarily suspended	-	-	-	-	-

(vii) **Information regarding income and expenditure of Investment property:**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental and maintenance income derived from investment property	3,556.18	3,088.67
Direct operating expenses generating rental income*	806.39	713.75
Profit arising from investment properties before depreciation and indirect expenses	<u>2,749.79</u>	<u>2,374.92</u>

\* No direct operating expenses have been incurred during the current year and previous year that did not generate rental income.

(viii) **Reconciliation for total depreciation charged:**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Total depreciation on property, plant and equipment for the year	5.95	4.86
Total depreciation on investment properties for the year	535.03	536.89
Total depreciation on intangible assets for the year	0.24	0.24
Less: depreciation during the construction period on site assets - capitalized	(1.34)	(1.51)
<b>Depreciation and amortization expense for the Year</b>	<u>539.88</u>	<u>540.48</u>

Notes to the financial statements for the year ended 31 March 2023

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>5 Non current financial assets - Other</b> (Unsecured and considered good)		
Security deposits*	66.18	66.18
Fixed deposits with banks**	135.16	135.00
Interest accrued but not due on fixed deposits	12.35	6.45
Lease rent equalization <sup>#</sup>	154.84	55.51
	<b>368.53</b>	<b>263.14</b>
*Includes receivable from related parties (refer note 28)		
**These fixed deposits are of restricted use being lien against debt service reserve account and securities given to various authorities.		
<sup>#</sup> Classified as financial assets as right to consideration is unconditional and is due only after passage of time.		
<b>6 Non-current tax assets (net)</b>		
Advance income tax	225.15	878.92
	<b>225.15</b>	<b>878.92</b>
<b>7 Other non-current assets</b> (Unsecured and considered good)		
Capital advances	5.62	28.49
Prepaid expenses	4.85	4.69
	<b>10.47</b>	<b>33.18</b>
<b>8.1 Current financial assets - Trade receivables</b>		
Trade receivables considered good - unsecured	23.37	17.13
Trade receivables - credit impaired	11.44	16.03
Less: loss allowance	(11.44)	(16.03)
	<b>23.37</b>	<b>17.13</b>

Refer note 11 (a.1) in respect of Trade receivables given as security in respect of secured borrowing taken from financial institutions

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

As at 31 March 2023

Trade receivables ageing schedule:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	16.70	2.87	0.78	1.59	1.43	23.37
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	0.22	0.56	10.65	11.43
(vi) Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
	-	16.70	2.87	1.00	2.15	12.08	34.80
Less: loss allowance							(11.43)
<b>Total Trade receivables</b>							<b>23.37</b>

As at 31 March 2022

Trade receivables ageing schedule:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	11.66	0.75	1.73	1.75	1.24	17.13
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	0.57	3.53	11.93	16.03
(vi) Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
	-	11.66	0.75	2.30	5.28	13.17	33.16
Less: loss allowance							(16.03)
<b>Total Trade receivables</b>							<b>17.13</b>

8.2 (a) Current financial assets - Cash and cash equivalents

Balance with banks :		
- in current account	9.20	58.54
- in deposit account (with original maturity of 3 months or less)	764.00	90.50
	<b>773.20</b>	<b>149.04</b>

Refer note 11 (a.1) in respect of cash and cash equivalents given as security in respect of secured borrowing taken from financial institutions

b) Current financial assets - Other bank balances

Deposit account with original maturity of more than 3 months and upto 12 months*	159.23	74.04
	<b>159.23</b>	<b>74.04</b>
	<b>932.43</b>	<b>223.08</b>

\*These fixed deposits are of restricted use being lien against debt service reserve account and bank guarantees given to various authorities.

**Notes to the financial statements for the year ended 31 March 2023**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>8.3 Current financial assets - Loans</b>		
(Unsecured and considered doubtful)		
Advance to other vendors	0.24	0.24
Less: provision against advances recoverable	(0.24)	(0.24)
	-	-
Loans Receivables - credit impaired	0.24	0.24
Less: provision against advances recoverable	(0.24)	(0.24)
	-	-
<b>8.4 Current financial assets - Other</b>		
(Unsecured and considered good)		
Unbilled revenue*	25.67	15.91
Lease rent equalization*	40.86	53.75
Interest accrued but not due on fixed deposits	3.19	0.29
	<b>69.72</b>	<b>69.95</b>

\*Classified as financial assets as right to consideration is unconditional and is due only after passage of time.

<b>9 Other current assets</b>		
(Unsecured and considered good)		
Advances to vendors	4.30	1.99
Prepaid expenses	12.87	20.56
Balance recoverable from government authorities	13.58	41.03
	<b>30.75</b>	<b>63.58</b>

**10.1 Equity share capital**

<b>Authorised</b>		
2,000,000 (Previous year 2,000,000 of INR 10 each) equity shares of INR 10 each (previous year INR 10 each)	20.00	20.00
<b>Issued, subscribed and paid-up</b>		
10,063 (Previous year 10,063 of INR 10 each) equity shares of INR 10 each (previous year INR 10 each), fully paid-up	0.10	0.10
	<b>0.10</b>	<b>0.10</b>

**a. The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2023 and 31 March 2022 is set out below:**

Equity shares	Number of shares	Amount
<b>As at 31 March 2021</b>	<b>10,063</b>	<b>0.10</b>
Change during the year	-	-
<b>As at 31 March 2022</b>	<b>10,063</b>	<b>0.10</b>
Change during the year	-	-
<b>As at 31 March 2023</b>	<b>10,063</b>	<b>0.10</b>

**b. Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

**c. Shares held by holding/ultimate holding Company and/or their subsidiaries/associates**

	As at 31 March 2023	
	Number	Amount in INR
<b>Equity shares of INR 10 each fully paid up held by</b>		
BSREP India Office Holdings II Pte. Ltd.	10,057	100,570
BSREP India Office Holdings Pte. Ltd.	6	60
	<b>10,063</b>	<b>100,630</b>
<b>Equity shares of INR 10 each fully paid up held by</b>		
BSREP India Office Holdings II Pte. Ltd.	10,057	100,570
BSREP India Office Holdings Pte. Ltd.	6	60
	<b>10,063</b>	<b>100,630</b>

**d. The Details of Shareholders Holding more than 5% Shares**

**Equity shares of INR 10 each (previous year INR 10 each) fully paid up held by**

Name of Shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	% of holdings	No. of Shares	% of holdings
BSREP India Office Holdings II Pte. Ltd.	10,057	99.94%	10,057	99.94%

**e. Shares reserved for issue under contract**

	Number	Amount
<b>As at 31 March 2022</b>		
15% unsecured compulsorily convertible debentures, issued to BSREP India Office Holdings II Pte. Ltd. (refer note 11)	9,120	91,200
<b>As at 31 March 2023</b>		
15% unsecured compulsorily convertible debentures, issued to BSREP India Office Holdings II Pte. Ltd. (refer note 11)	9,120	91,200

Notes to the financial statements for the year ended 31 March 2023

Particulars	As at	
	31 March 2023	31 March 2022

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

f. Shares held by promoters

Promoter Name	Shares held by promoters as at 31 March 2023		Shares held by promoters as at 31 March 2022		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
BSREP India Office Holdings II Pte. Ltd.	10,057	99.94%	10,057	99.94%	0.00%
BSREP India Office Holdings Pte. Ltd.	6.00	0.06%	6.00	0.06%	0.00%
<b>Total</b>	<b>10,063</b>	<b>100.00%</b>	<b>10,063</b>	<b>100.00%</b>	

g. As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.

h. No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

10.2 Other Equity

Equity component of compound financial instruments	374.34	374.34
Securities premium	0.15	0.15
Accumulated (deficit)	(9,752.39)	(9,298.25)
	<b>(9,377.90)</b>	<b>(8,923.76)</b>

11 Borrowings

Non-current financial liabilities - Borrowings

Secured

Term loans from banks	4,426.42	4,466.72
Term loan from financial institutions	23,943.51	23,513.88
Less:- Current maturities of long term borrowings	(1,909.25)	(615.43)

Unsecured loan

From related parties (refer note 28)

Liability component of compound financial instruments (refer note(b) below)	497.99	549.95
	<b>26,958.67</b>	<b>27,915.12</b>

a.1) Terms for secured loan

As at 31 March 2023

(i) HDFC Limited (balance as at 31 March 2023 : INR 23,943.51)

Nature of loan	Security	Terms of repayment
Lease rental discounting Interest @ PLR* less spread (Term : 15 Years)	The term loan is secured by hypothecation of movable assets, charge on bank accounts, insurance policies, escrow on receivables of the Company, mortgage on immovable properties other than tower 8, 8A, 10 (SEZ Office) & Club House, pledge of 85% shares of the Company held by the holding Company & demand promissory note in favour of the lender.	Principal repayment: Upon completion of 24 months from the first drawdown date, the LRD (Lease rental discounting) facility shall be repaid in 156 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.
Loan against property Interest @ PLR* less spread (Term : 2 Years)		Interest payment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.
		Principal repayment: Single monthly instalment on the date falling 2 (two) years from date of first disbursement.
		Interest payment: At the applicable rate of interest on the outstanding principal of LAP (Loan against property) facility will be paid monthly on each interest payment date of the LAP Facility from the date of first disbursement till commencement of monthly instalment.

\* Prime lending rate (PLR)

(ii) ICICI Bank Limited (balance as at 31 March 2023 : INR 4,426.42)

Nature of loan	Security	Terms of repayment
Rupee term loan (Overdraft as sub limit) Interest @ MCLR** add spread (Term : 14 Years)	The term loan is secured by equitable mortgage, hypothecation on the receivables, insurance proceeds, hypothecation on the escrow account of Tower 8, 8A, 10 (SEZ Office) & Club House and the DSR Sub-Account all monies credited/deposited and all investments, pledge of 15% shares of the Company.	Principal repayment: Upon completion of 24 months from the first drawdown date, the RTL (Rupee term loan) facility shall be repaid in 144 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.
		Interest payment: At the applicable rate of interest on the outstanding principal of RTL facility will be paid monthly on each interest payment date of the RTL facility from the date of first disbursement till commencement of monthly instalments

\*\* Marginal cost of funds based lending rates (MCLR)

Assets pledged as security

Above Term Loans secured by way of : (a) Trade receivables - INR 23.37 million, (b) Cash and cash equivalents - INR 773.20 million, (c) Property, plant and equipment - INR 46.16 million and (d) Investment property - INR 22,456.45 million (e) Other fixed deposit with banks - 293.28 million.

Notes to the financial statements for the year ended 31 March 2023

Particulars	As at	
	31 March 2023	31 March 2022
As at 31 March 2022		
<b>(i) HDFC Limited (balance as at 31 March 2022 : INR 23,513.88)</b>		
Nature of loan	Security	Terms of repayment
Lease rental discounting Interest @ PLR* less spread (Term : 15 Years)	The term loan is secured by hypothecation of movable assets, charge on bank accounts, insurance policies, escrow on receivables of the Company, mortgage on immovable properties other than tower 8, 8A, 10 (SEZ Office) & Club House, pledge of 85% shares of the Company held by the holding Company & demand promissory note in favour of the lender.	Principal repayment: Upon completion of 24 months from the first drawdown date, the LRD (Lease rental discounting) facility shall be repaid in 156 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.  Interest payment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.
Loan against property Interest @ PLR* less spread (Term : 2 Years)		Principal repayment: Single monthly instalment on the date falling 2 (two) years from date of first disbursement.  Interest payment: At the applicable rate of interest on the outstanding principal of LAP (Loan against property) facility will be paid monthly on each interest payment date of the LAP Facility from the date of first disbursement till commencement of monthly instalment.

\* Prime lending rate (PLR)

**(ii) ICICI Bank Limited (balance as at 31 March 2022 : INR 4,466.72)**

Nature of loan	Security	Terms of repayment
Rupee term loan (Overdraft as sub limit) Interest @ MCLR** add spread (Term : 14 Years)	The term loan is secured by equitable mortgage, hypothecation on the receivables, insurance proceeds, hypothecation on the escrow account of Tower 8, 8A, 10 (SEZ Office) & Club House and the DSR Sub-Account all monies credited/deposited and all investments, pledge of 15% shares of the Company.	Principal repayment: Upon completion of 24 months from the first drawdown date, the RTL (Rupee term loan) facility shall be repaid in 144 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.  Interest payment: At the applicable rate of interest on the outstanding principal of RTL facility will be paid monthly on each interest payment date of the RTL facility from the date of first disbursement till commencement of monthly instalments

\*\* Marginal cost of funds based lending rates (MCLR)

**Assets pledged as security**

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - INR 17.13 million, (b) Cash and cash equivalents - INR 149.04 million, (c) Property, plant and equipment - INR 44.45 million and (d) Investment property - INR 22,659.85 million (e) Other fixed deposit with banks - INR 73.00 million.

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

a.2) The Company's quarterly returns or statements comprising quarterly financials information filed with banks and financial institutions are in agreement with the books of accounts.

b) Debenture holder	Face Value INR	No. of Debentures	Date of issuance	Rate of Interest (per annum)	Compulsory conversion term
BSREP India Office Holdings II Pte. Ltd*	110,918	540	18-May-15	15%	18-May-28
BSREP India Office Holdings II Pte. Ltd*	110,631	1,575	20-Mar-15	15%	20-Mar-28
BSREP India Office Holdings II Pte. Ltd*	110,620	3,105	18-Mar-15	15%	18-Mar-28
BSREP India Office Holdings II Pte. Ltd*	110,596	3,900	15-Jan-15	15%	15-Jan-28

\* The Company and debenture holder shall have the right to convert debentures into equity shares any time after issue in 1:1 ratio. The interest on these Unsecured Compulsory Convertible Debentures (UCCD) is payable annually w.e.f. 01 April 2015, however the Company has the discretion of paying the interest at interim periods before compulsory conversion term. Also refer note 28.

**c) Changes in liabilities arising from financing activities**

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening balance</b>	28,899.03	28,758.95
<b>Cash movement</b>		
Loans received during the year (refer statement of cash flows)	825.00	400.00
Loans paid during the year (refer statement of cash flows)	(454.19)	(357.54)
Finance cost paid (refer statement of cash flows)	(2,532.87)	(2,352.82)
<b>Non cash movement</b>		
Finance cost (gross)	2,684.33	2,457.32
Other non cash changes in Finance cost	(0.40)	(6.88)
<b>Closing balance</b>	<b>29,420.90</b>	<b>28,899.03</b>

**12 Non-current financial liabilities - Others**

	As at 31 March 2023	As at 31 March 2022
Security deposit from lessee	424.56	425.18
Retention money	1.68	1.42
	<b>426.24</b>	<b>426.60</b>

**Notes to the financial statements for the year ended 31 March 2023**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>13 Tax expense</b>		
<b>(a) Amounts recognized in Statement of Profit and Loss</b>		
Current tax		
-for the year	-	-
-for earlier years	(0.15)	-
<b>Total current tax expense</b>	<b>(0.15)</b>	<b>-</b>
Deferred tax		
(i) Origination and reversal of temporary differences	(98.07)	(124.92)
(ii) Minimum alternate tax credit		
-for earlier years	-	45.53
<b>Deferred tax (credit)</b>	<b>(98.07)</b>	<b>(79.39)</b>
<b>Tax expense for the year</b>	<b>(98.22)</b>	<b>(79.39)</b>

**(b) Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate)**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>(Loss) before tax</b>	<b>(552.36)</b>	<b>(734.36)</b>
Tax using the Company's domestic tax rate (Current year 29.12% and previous Year 29.12%)	(160.85)	(213.84)
<b>Tax effect of:</b>		
Deferred tax assets not recognized because realisation is not probable	62.25	54.59
Deferred tax asset not recognized on current and brought forward business losses	-	47.62
Tax for earlier years <sup>#</sup>	(0.15)	-
MAT Credit reversal as recovery is not probable	-	45.53
Others	0.53	(13.29)
	<b>(98.22)</b>	<b>(79.39)</b>

<sup>#</sup>Tax expense for the year ended 31 March 2023 INR (0.15) million (previous year INR Nil) is in relation to reversal of provision of income tax.

**(c) Deferred tax liabilities (net) as at 31 March 2023**

Particulars	Net balance as at	Recognized in profit or loss	Net balance as at
	1 April 2022		31 March 2023
<b>Deferred tax assets (liabilities)</b>			
Investment properties & Property, plant & equipments	(3,938.17)	(135.39)	(4,073.56)
Borrowings	167.12	(14.05)	153.07
Provision for doubtful debts	4.67	(1.34)	3.33
Unabsorbed depreciation	1,063.94	248.85	1,312.79
MAT credit entitlement	87.72	-	87.72
<b>Tax assets (liabilities)</b>	<b>(2,614.73)</b>	<b>98.07</b>	<b>(2,516.65)</b>

Particulars	Net balance as at	Recognized in profit or loss	Net balance as at
	1 April 2021		31 March 2022
<b>Deferred tax assets (liabilities)</b>			
Investment properties & Property, plant & equipments	(3,784.44)	(153.73)	(3,938.17)
Borrowings	165.63	1.49	167.12
Provision for doubtful debts	4.47	0.20	4.67
Unabsorbed depreciation	786.98	276.96	1,063.94
MAT credit entitlement	133.25	(45.53)	87.72
<b>Tax assets (liabilities)</b>	<b>(2,694.11)</b>	<b>79.39</b>	<b>(2,614.73)</b>

The Company has recognized deferred tax asset of INR 1,312.79 million (previous year INR 1,063.94 million) on unabsorbed depreciation and INR 87.72 million (previous year INR 87.72 million) on Mat credit entitlement, considering the deferred tax liability on existing taxable temporary differences that will reverse in the future and estimated taxable income for future years. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

As at 31 March 2023, unrecognized deferred tax assets amounting to INR 295.17 million (previous year INR 232.92 million) on unabsorbed interest u/s 94B of Income Tax Act 1961 and INR 48.14 million (previous year INR 48.14 million) on unabsorbed business losses which can be carried forward for specific period has been detailed below. The deferred tax asset has not been recognized on the basis that its recovery is not considered probable in the foreseeable future.

Deductible temporary differences on which deferred tax asset is not recognized:

31 March	Particulars	As at 31 March 2023	
		Amounts (INR in million)	Deferred tax assets (INR in million)
2023	Unabsorbed business losses	89.99	26.20
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	134.17	39.07
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	149.91	43.65
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	164.63	47.94
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	163.69	47.67
2030	Unabsorbed interest u/s 94B of Income Tax Act 1961	187.46	54.59
2030	Unabsorbed business losses	75.34	21.94
2031	Unabsorbed interest u/s 94B of Income Tax Act 1961	213.77	62.25

31 March	Particulars	As at 31 March 2022	
		Amounts (INR in million)	Deferred tax assets (INR in million)
2023	Unabsorbed business losses	89.99	26.20
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	134.17	39.07
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	149.91	43.65
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	164.63	47.94
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	163.69	47.67
2030	Unabsorbed interest u/s 94B of Income Tax Act 1961	187.46	54.59
2030	Unabsorbed business losses	75.34	21.94

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. It also depends on availability of taxable temporary differences when the deductible temporary differences are expected to reverse.

**Notes to the financial statements for the year ended 31 March 2023**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>14 Other non-current liabilities</b>		
Deferred income	101.34	67.97
	<b>101.34</b>	<b>67.97</b>
<b>15 Current financial liabilities - Borrowings</b>		
<b>Secured</b>		
Bank overdraft	-	20.99
Current maturities of secured long term borrowings	1,909.25	615.43
	<b>1,909.25</b>	<b>636.42</b>
<b>16 Current financial liabilities - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises*	21.49	20.62
Total outstanding dues of creditors other than micro enterprises and small enterprises**	118.01	115.46
	<b>139.50</b>	<b>136.08</b>

\* The Ministry of Micro, Small and Medium Enterprises (MSME) has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at year end has been made in the Ind AS financial statements based on information available with the Company as under:

a) Particulars	As at 31 March 2023	As at 31 March 2022
(a) the principal amount remaining unpaid to any supplier at the end of financial year.	21.49	20.62
(b) the interest due on principal amount remaining unpaid to any supplier at the end of financial year.	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year.	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) the amount of interest accrued and remaining unpaid at the end of financial year.	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021**

b) Trade Payable ageing schedule							
As at 31 March 2023	Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) MSME	21.49	-	-	-	-	21.49	
(ii) Others	117.92	-	0.01	0.08	-	118.01	
(iii) Disputed Dues - MSME	-	-	-	-	-	-	
(iv) Disputed Dues - Others	-	-	-	-	-	-	
<b>Total</b>	<b>139.41</b>	<b>-</b>	<b>0.01</b>	<b>0.08</b>	<b>-</b>	<b>139.50</b>	

As at 31 March 2022							
Particulars	Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) MSME	20.55	0.07	-	-	-	20.62	
(ii) Others	115.02	0.36	0.08	-	-	115.46	
(iii) Disputed Dues - MSME	-	-	-	-	-	-	
(iv) Disputed Dues - Others	-	-	-	-	-	-	
<b>Total</b>	<b>135.57</b>	<b>0.43</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>136.08</b>	

\*\* Includes payable to related parties (refer note 28)

17 Current - other financial liabilities		
<b>Other than related parties</b>		
Interest accrued and not due on borrowings	21.43	18.62
Security deposit from lessee	732.97	795.93
Retention money	38.29	36.91
Other Payables	7.87	10.54
Capital creditors	67.92	88.01
<b>To related parties*</b>		
Interest accrued but not due on unsecured compulsorily convertible debentures	531.56	349.85
	<b>1,400.04</b>	<b>1,299.86</b>

\*refer note 28

18 Other current liabilities		
Deferred income	51.88	42.07
Statutory dues payable	27.83	30.15
	<b>79.71</b>	<b>72.22</b>

19 Current tax liabilities (Net)		
Provision for income tax	9.43	7.93
	<b>9.43</b>	<b>7.93</b>



**Candor Gurgaon One Realty Projects Private Limited**

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(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023**

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
<b>20 Revenue from operations</b>		
<b>Sale of services</b>		
Income from operating lease rentals*	2,602.06	2,301.28
Income from maintenance services	954.12	787.39
	<b>3,556.18</b>	<b>3,088.67</b>
<b>* Assets given on operating lease</b>		
Total rental income for lock in period under non-cancellable operating leases recognized during the year ended 31 March 2023 amounted to INR 815.22 Million (previous year INR 647.31 Million)		
The future minimum lease payments under non-cancellable operating leases are as follows:		
<b>Lease rentals recoverable on non-cancellable leases (based on lock-in period)</b>		
Not later than one year	988.10	770.10
Later than one year, not later than five years	1,983.44	1,869.17
Later than five years	-	144.29
<b>Total minimum lease rentals recoverable</b>	<b>2,971.54</b>	<b>2,783.56</b>
<b>21 Other income</b>		
(a) <b>Interest income from financial assets at amortized cost</b>		
Interest income on fixed deposits with banks*	26.19	11.90
(b) <b>Others</b>		
Interest on income tax refund	62.48	-
Liabilities no longer required written back	2.05	0.03
Income from sale of garbage	1.13	1.10
Miscellaneous income	0.18	-
<b>Total other income</b>	<b>92.03</b>	<b>13.03</b>
*Interest on fixed deposit excludes income from temporary deposits made out of construction finance facility, the same has been netted off from borrowing cost capitalized. Refer note 22.		
<b>22 Finance costs</b>		
(a) <b>Interest and finance charges on financial liabilities at amortized cost</b>		
Interest on term loan	2,502.30	2,323.43
Interest on liability component of compound financial instrument	161.81	123.46
(b) <b>Others</b>		
Other borrowing costs	77.87	52.75
	2,741.98	2,499.64
Less: Transferred to Investment property under development (refer note 4)	-	(0.32)
	<b>2,741.98</b>	<b>2,499.32</b>
<b>23 Depreciation and amortization expenses</b>		
- on property, plant and equipment	4.61	3.35
- on investment property	535.27	537.13
	<b>539.88</b>	<b>540.48</b>

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**Notes to the financial statements for the year ended 31 March 2023**

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
<b>24 Other expenses</b>		
Property management fees*	217.46	181.37
Power and fuel	292.42	257.00
Repair and maintenance	284.89	260.17
Insurance	10.39	7.26
Legal and professional expense	53.87	51.72
Audit fees (refer note (a) below)	3.62	1.45
Rates and taxes	3.09	12.55
Rental towards short term leases	4.15	3.31
Credit impaired	7.07	2.09
Advances written off	-	0.02
Corporate social responsibility expenses (refer note (b) below)	-	-
Business promotion	9.84	2.92
Miscellaneous expenses	31.91	16.40
	<b>918.71</b>	<b>796.26</b>

\* For transactions with related parties refer note 28

**a) Details of remuneration to auditors**

As auditor (on accrual basis, excluding applicable taxes)

- for statutory audit	1.80	1.40
- for other services	1.75	0.05
- for reimbursement of expenses	0.07	-
<b>Total</b>	<b>3.62</b>	<b>1.45</b>

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021****b) Details of Corporate Social Responsibility expenditure**

i) Amount required to be spent by the Company during the year	-	-
ii) Amount spent by the Company during the year (in cash)		
- Construction/acquisition of any asset	-	-
- On purposes other than above	-	-
iii) Shortfall at the end of the year		
- Total of previous year's shortfall	-	-
- Reason for shortfall	-	-
iv) Reason for shortfall	-	-
v) Nature of CSR activities	NA	NA
vi) Details of related party transactions (refer note 28)	-	-

**Candor Gurgaon One Realty Projects Private Limited**

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(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023****25. Financial risk management****i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management framework.

The Company's risk management framework are established to identify and analyse the key risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees compliance with the Company's risk management framework and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Company's board of directors.

The Company's financial risk management is carried out by a treasury department (Company's treasury). The Company's treasury identifies, evaluates and hedges financial risks.

**ii. Credit risk**

Credit risk is the risk of the financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company ensures through appropriate background checks that the office premises are leased to parties of repute and of good credit standing only. It has also taken refundable interest free security deposits equivalent to 3-6 months of lease rentals from its tenants which is used to mitigate credit risk. Further Management also monitors its receivables on a monthly basis and does not expect any default of its trade receivables. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks. However, the maximum amount exposed to credit risk is limited to amount disclosed in financial statements.

Movement in loss allowance for trade receivables during the year as summarized below:

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Balance at the beginning of the year	16.03	15.36
Loss allowance created during the year	-	-
Loss allowance reversed during the year	(2.05)	(0.03)
Others	(2.54)	0.70
<b>Balance at the end of the year</b>	<b>11.44</b>	<b>16.03</b>

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(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023****26 Financial instruments – Fair values and risk management****i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements.

	Carrying Amount		Fair Value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>				
Trade receivables #	23.37	17.13	23.37	17.13
Cash and cash equivalents #	773.20	149.04	773.20	149.04
Other financial assets #	597.48	407.13	597.48	407.13
<b>Total financial assets</b>	<b>1,394.05</b>	<b>573.30</b>	<b>1,394.05</b>	<b>573.30</b>
<b>Financial liabilities</b>				
Liability component of compound financial instrument (including interest accrued)*	1,029.55	899.80	1,083.20	1,054.80
Other borrowings #	27,838.37	27,651.74	27,838.37	27,651.74
Trade payables #	139.50	136.08	139.50	136.08
Other financial liabilities #	1,294.72	1,376.61	1,294.72	1,376.61
<b>Total financial liabilities</b>	<b>30,302.14</b>	<b>30,064.23</b>	<b>30,355.79</b>	<b>30,219.23</b>

# The fair value of financial assets and financial liabilities which are recognized at amortized cost has been disclosed to be same as carrying value as the carrying value approximately equals to their fair value.

\* fair value of the liability component of compound financial instruments, which are recognized at amortized cost, has been calculated at the present value of the future cash flows discounted at the current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

**ii) Measurement of fair values**

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price. Currently, there are no items falling under Level 1 fair valuation hierarchy.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Currently, there are no items falling under Level 2 fair valuation hierarchy.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuation under Level 1 and Level 2. There has been no transfers into or out of Level 3 of the fair value hierarchy for the years ended 31 March 2023 and 31 March 2022.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Candor Gurgaon One Realty Projects Private Limited**

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**Notes to the financial statements for the year ended 31 March 2023****iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities. The Company seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows considering the level of liquid assets necessary to meet liquidity requirement.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

<b>31 March 2023</b>	<b>Carrying Amount</b>	<b>Contractual cash flows</b>			
INR in million		<b>Total</b>	<b>0 -1 year</b>	<b>1 -5 years</b>	<b>Above 5 years</b>
<b>Non-derivative financial liabilities</b>					
Borrowings					
-Term loans (including current maturities and interest accrued)	28,391.36	46,375.03	4,484.18	14,735.25	27,155.60
-Liability component of compound financial instrument (including interest accrued)	1,029.55	1,309.84	733.01	576.83	-
Trade payables	139.50	139.50	139.50	-	-
Other financial liabilities (excluding current maturities of term loans)	1,273.29	1,419.11	852.81	566.30	-

<b>31 March 2022</b>	<b>Carrying Amount</b>	<b>Contractual cash flows</b>			
INR in million		<b>Total</b>	<b>0 -1 year</b>	<b>1 -5 years</b>	<b>Above 5 years</b>
<b>Non-derivative financial liabilities</b>					
Borrowings					
-Term loans (including current maturities and interest accrued)	27,999.22	51,160.56	2,923.89	14,179.38	34,057.29
-Liability component of compound financial instrument (including interest accrued)	549.95	1,393.80	625.45	640.28	128.07
Trade payables	136.08	136.08	136.08	-	-
Other financial liabilities (excluding current maturities of term loans)	1,707.84	1,824.70	1,304.78	519.92	-

The Company has undrawn borrowing facilities amounting to INR 1,308.28 million (previous year - INR 2,112.28 million).

<b>Particulars</b>	<b>Total</b>	<b>Expiring within</b>		
		<b>0 -1 year</b>	<b>1 -5 years</b>	<b>Above 5 years</b>
As at 31 March 2023	1,308.28	1,308.28	-	-
As at 31 March 2022	2,112.28	12.28	2,100.00	-

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(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023****iv. Market risk**

The Company is exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals), such as interest rates that will affect the Company's expense or the value of its holdings of financial instruments.

**Currency risk**

The Company's exposure to foreign currency risk is mainly on account of imports of capital goods, which is not material in proportion to the total expenses incurred by the Company.

There are no foreign currency receivables/payables as at 31 March 2023 INR Nil (previous year INR Nil).

**Interest rate risk**

The Company is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments as well as on the refinancing of fixed rate instrument. The Company's borrowings are principally denominated in Indian Rupees.

The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	<b>Nominal amount in INR</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Fixed-rate instruments</b>		
Financial assets	1,058.39	299.54
Financial liabilities	(497.99)	(549.95)
	<b>560.40</b>	<b>(250.41)</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(28,369.93)	(27,980.60)
	<b>(28,369.93)</b>	<b>(27,980.60)</b>
<b>Total</b>	<b>(27,809.53)</b>	<b>(28,231.01)</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts shown below are net off borrowing cost capitalization of INR 0.00 million (previous year INR 0.04 million) using capitalization rate of respective year.

<b>INR</b>	<b>Profit or loss (before tax)</b>	
	<b>100 bp increase</b>	<b>100 bp decrease</b>
<b>31 March 2023</b>		
Variable-rate instruments	(283.70)	283.70
<b>Cash flow sensitivity (net)</b>	<b>(283.70)</b>	<b>283.70</b>
<b>31 March 2022</b>		
Variable-rate instruments	(279.77)	279.77
<b>Cash flow sensitivity (net)</b>	<b>(279.77)</b>	<b>279.77</b>

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023****27. Capital management**

The Company's objective when managing capital is to safeguard their ability to continue as going concern so that they can provide return to shareholders and maintain an optimal capital structure to reduce cost of capital. The Company's capital structure mainly constitutes equity in the form of share capital and debt. The projects of the Company are initially funded through construction financing arrangements. On completion, these loans are restructured into lease-rental discounting arrangements or debentures. The Company's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The capital structure of the Company consists of net debt (comprising borrowings as disclosed in notes 11 offset by cash and cash equivalents as disclosed in note 8.2) and total equity of the Company.

	<b>Amount as at</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>
Borrowings	28,867.92	28,551.54
Gross Debt	28,867.92	28,551.54
Less: Cash & cash equivalents	(773.20)	(149.04)
<b>Net Debt</b>	<b>28,094.72</b>	<b>28,402.50</b>
Equity share capital	0.10	0.10
Other equity	(9,377.90)	(8,923.76)
<b>Total equity</b>	<b>(9,377.80)</b>	<b>(8,923.66)</b>

As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to contractual obligations to the Company.

**Candor Gurgaon One Realty Projects Private Limited**

CIN: U00500MH2005PTC281177

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023****28 Related party disclosures****a) Related parties and nature of the related party relationship where control exists.**

Description of relationship	Name of the party
Ultimate Holding Company	Brookfield Corporation (formerly known as Brookfield Asset Management Inc.)
Holding Company	BSREP India Office Holdings II Pte. Ltd.
Fellow subsidiaries	Mountainstar India Office Parks Private Limited

**b) Transactions with related parties**

Nature of transaction/ Entity's Name	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Property management cost</b>		
Mountainstar India Office Parks Private Limited	163.42	135.13
<b>Advance for Property management Fees</b>		
Mountainstar India Office Parks Private Limited	-	11.66
<b>Software maintenance cost</b>		
Mountainstar India Office Parks Private Limited	0.60	-
<b>Reimbursement of expenses incurred by</b>		
Mountainstar India Office Parks Private Limited	7.22	5.82
<b>Interest expense on liability component on compulsory convertible debentures</b>		
BSREP India Office Holdings II Pte. Ltd.	161.81	123.46
<b>Payment of liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	51.96	65.09

**c) Outstanding balances**

	As at 31 March 2023	As at 31 March 2022
<b>Expense Payable for Reimbursement</b>		
Mountainstar India Office Parks Private Limited	2.06	0.01
<b>Prepaid Expenses</b>		
Mountainstar India Office Parks Private Limited	0.60	-
<b>Security deposit receivable - Property management fee</b>		
Mountainstar India Office Parks Private Limited	4.57	4.57
<b>Interest accrued on liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	531.56	349.85
<b>Liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	497.99	549.95

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

For the year ended 31 March 2023 and 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.



**Candor Gurgaon One Realty Projects Private Limited**

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(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2023**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>29 (Loss) per share</b>		
(Loss) after tax as reported (INR million)	(454.14)	(654.97)
Weighted average number of equity shares for basic EPS (in number)	10,063	10,063
Add: Effect of compound financial instrument issued by the Company during the earlier years (in number)	9,120	9,120
Weighted average number of equity shares outstanding during the period (in number)	19,183	19,183
<b>Basic and diluted (loss) per share (face value of INR 10) in INR</b>	<b>(23,674.09)</b>	<b>(34,143.01)</b>

**30 Capital Commitments (net of advances)**

Capital commitments as at 31 March 2023 is INR 130.35 million (previous year INR 593.31 million)

Apart from the commitments disclosed above, the Company has no commitments other than those in the nature of regular business operations.

31 Contingent liability	As at 31 March 2023	As at 31 March 2022
Income tax claims, disputed by the Company, not acknowledged as debt	223.47	214.30

Contingent liabilities as at 31 March 2023 includes penalty amounting to INR 188.37 million (previous year INR 188.37 million) in relation to disallowance of settlement fees paid in earlier years for termination of contract.

Other contingencies includes of INR 35.10 million (previous Year INR 25.93 million) relates to other disallowances under the Income Tax Act, 1961.

**Notes to the financial statements for the year ended 31 March 2023**

**32 Segment reporting**

Basis of Segmentation and information about products and services  
The Company's board of directors has been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. As the Company is primarily engaged in the business of developing and maintaining commercial real estate property (IT/TeS SEZ) in India CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" are not applicable.

Customer A represented 18.96% and 20.00% of revenues in year 2023 and 2022 respectively, Customer B represented 10.55% and 11.77% of revenues in year 2023 and 2022 respectively and Customer C represented 7.55% and 10.70% of revenues in year 2023 and 2022 respectively.

**33** During the year ended 31 March 2019, the Company at its Extra Ordinary General Meeting held on 14 January 2019 passed a special resolution (pursuant to the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 (the 'Companies Act') and Article No. 40 of Articles of Association of the Company) for reducing the issued, subscribed and paid up equity share capital of the Company from INR 190,630 divided into 19,063 equity shares of INR 10 each fully paid up, to INR 100,630 divided into 10,063 equity shares of INR 10 each fully paid up, by way of extinguishment and cancellation of upto 9,000 equity shares of INR 10 each, and that such reduction to be effected by returning capital to BSREP India Office Holdings II Pte. Ltd. (Holding Company) for an amount not exceeding INR 9,990 million.

Based on the above resolution, the Company filed a Capital Reduction Scheme with the National Company Law Tribunal, Mumbai Bench ("NCLT") on 15 January 2019 and the Company received the Order from NCLT dated 16 October 2019 ("Order") approving reduction in the equity share capital to the extent of 9,000 equity shares of INR 10 each and to adjust the premium payable on reduction of equity share capital (amounting to INR 9,989.91 Million) from the revaluation reserve (amounting to INR 4,930.61 million) and retained earnings (amounting to INR 5,059.30 million). Accordingly, the Company has reduced its equity share capital by cancelling 9,000 equity shares and made an aggregate payment of INR 9,990 million (including premium of INR 9,989.91 million) to BSREP India Office Holdings II Pte. Ltd. The premium paid on reduction of equity share capital is adjusted against retained earnings because, during the year 31 March 2019, the Company has transitioned to Ind AS and in accordance with Ind AS 101 the balance in revaluation reserve has been adjusted to retained earnings.

**34 Additional Regulatory Information required by amendment by notification dated 24 March 2021 by Ministry of Corporate Affairs in Division II of Schedule III**

**(a) Relationship with struckoff Companies**

Name of struck off Company	Nature of transactions with struck-off Company	Transaction during the year 31 March 2023	Balance outstanding as on 31 March 2023	Relationship with the struck off Company, if any, to be disclosed
Cyber Aluinfra Pvt Ltd	Retention Money	-	(0.00)	Vendor
Mechwing Engineering & Services Private Limited	Repair & Maintenance expenses	0.07	0.07	Vendor
Kwals Hospitality OPC Private Limited	Trade receivables	(2.92)	-	Customer
Kwals Hospitality OPC Private Limited	Security deposit payables	0.75	-	Customer

Name of struck off Company	Nature of transactions with struck-off Company	Transaction during the year 31 March 2022 (INR million)	Balance outstanding as on 31 March 2022 (INR million)	Relationship with the struck off Company, if any, to be disclosed
Kwals Hospitality OPC Private Limited	Trade receivables	-	2.92	Customer
Kwals Hospitality OPC Private Limited	Security deposit payables	-	(0.75)	Customer

**(b) Financial Ratios**

	Numerator	Denominator	Ratio (FY 2022-23)	Ratio (FY 2021-22)	Variance#
Current Ratio	Current assets	Current liabilities	0.3	0.2	50.0%
Debt-Equity Ratio	Total Debt ^	Shareholder's Equity	(3.1)	(3.2)	3.1%
Debt Service Coverage Ratio	Earnings available for debt service**	Debt Service*	0.9	0.9	0.0%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	-5.0%	-7.6%	34.2%
Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA
Trade Receivables turnover ratio	Revenue	Average Trade Receivable	175.6	233.4	-24.8%
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	6.6	5.9	11.9%
Net capital turnover ratio	Revenue	Working Capital	(1.4)	(1.7)	-17.6%
Net profit ratio	Net Profit	Total Income	-12.4%	-21.1%	41.2%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed***	9.7%	7.8%	24.4%
Return on investment (ROI)	Income generated from investments	Time weighted average investments	NA	NA	NA

^Total debts = Borrowings + Lease liabilities + interest accrued and not due on borrowings

\* Interest & Principal repayments

\*\*Earning for debt service=Net profit after taxes+Non Cash Operating Expenses like depreciation and other amortization+ Interest expense + Other adjustment like loss on sale of fixed assets etc

\*\*\*Tangible Net Worth + Total Debt\* + Deferred Tax Liability

**# Explanation of variances exceeding 25%**

Current ratio improved due to increase in Cash and cash equivalents during the year  
Return on Equity (ROE) improved due to decrease in net losses during the year on account of increase in Revenue  
Net profit ratio improved due to decrease in net losses during the year on account of increase in Revenue.

**35** The Company had received certain amounts as share application money ("Share Application Money") prior to 31 March 2014, against which the Company had not allotted shares or refunded such Share Application Money. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with Paragraph 8(4) of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 (the Rules). During the period ended 31 March 2021, the Company had filed application u/441 of the Companies Act, 2013 for compounding of offence.

Pursuant to the hearing held on 30 December 2021, Hon'ble Regional Director accepted the compounding application(s) filed by the Company and compounded the offence by levying a compounding fees, amounting to INR 0.30 million and passed the order dated 25 January 2022. The said compounding fees has been paid within the requisite timelines.

**36 Uncertainty relating to the global health pandemic on COVID-19**

The COVID-19 pandemic has continued to cause disruption to business activities and adversely impacted local, regional, national and international economic conditions. The Company 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). As a result, future revenues and cash flows produced by investment properties could be potentially impacted due to this prevailing uncertainty. In response, the Company has adjusted cash flow assumptions for its estimate of near-term disruption to cash flows to reflect collections, vacancy and assumptions with respect to new leasing activity. In addition, the Company has continued to assess the appropriateness of the discount and terminal capitalization rates giving consideration to changes to property level cash flows and any risk premium inherent in such cash flow changes as well as the current cost of capital and credit spreads. Further, in developing assumptions relating to possible future uncertainties in the Indian economic conditions because of this pandemic; the Company, as at the date of approval of 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 the Company. Based on this analysis, the Company has concluded that there is no impairment to the carrying amount of investment property and the fair value of investment property disclosed in the Financial Statements represents the best estimate based on internal and external sources of information on the reporting date.  
The impact of COVID-19 on the Company's Financial Statements may differ from that estimated as at the date of approval of these Financial Statements.

**37** Proper books of account as required by law have been kept by the Company except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India. The Company is currently keeping back-up on fortnightly basis of such books of account maintained in electronic mode, in a server physically located in India.

**38** Subsequent to the Balance Sheet date, on 18 May 2023, the Board of Directors of the Company has passed a resolution wherein it was proposed to transfer the 100% equity share capital and compulsorily convertible debentures (CCDs) of the Company to Brookfield India Real Estate Trust (BIRET) and Reco Cerium Private Limited (Reco), an affiliate of GIC, a global institutional investor, in equal proportion at the acquisition price of INR 47,250 million subject to adjustments in relation to security deposits, other net liabilities and other adjustments, as per the terms and conditions of the share purchase agreements entered in this regard and subject to approvals as may be required. The proposed transfer of 100% equity share capital and CCDs have been approved by the unitholders of BIRET in the Extraordinary Meeting of unitholders of BIRET held on 12 June 2023.

Further, pursuant to above transaction, the Company has entered into an income support agreement, on 18 May 2023, with Mountainstar India Office Parks Private Limited (MIOP) for provision of income support to the Company for an eligible area of 1.2 million square feet for an amount not exceeding INR 2,000 million in the manner agreed among the parties and in accordance with the terms of the Income Support Agreement.

**39** The Company has incurred a net loss of INR 454.14 million during the year ended 31 March 2023 (31 March 2022: INR 654.97 million). Further, the Company has negative net worth of INR 9,377.80 million as at 31 March 2023 (31 March 2022: INR 8,923.66 million). Notwithstanding past losses and erosion of its net worth, the Management of the Company believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment based on the estimated future cash flows from business operations and continued financial support through letter dated 7 June 2023 from the Holding company "BSREP India Office Holdings II Pte. Ltd.". Accordingly, these financial statements have been prepared on a going concern basis.

For and on behalf of the Board of Directors of  
**Candor Gurgaon One Realty Projects Private Limited**

<b>Deepak Gupta</b> Director DIN: 09631188	<b>Munish Dayal Mathur</b> Director DIN: 09514930
Place: Gurugram Date : 27 June 2023	Place: Gurugram Date : 27 June 2023

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Candor Gurgaon One Realty Projects Private Limited Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Candor Gurgaon One Realty Projects Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (together referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

## **Deloitte Haskins & Sells**

- (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - (d) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
**Anand Subramanian**  
(Partner)  
(Membership No. 110815)  
(UDIN: 22110815AJTMR3161)

Place: Bengaluru  
Date: May 27, 2022

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements'  
section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Candor Gurgaon One Realty Projects Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, 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, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
**Anand Subramanian**  
(Partner)  
(Membership No. 110815)  
(UDIN: 22110815AJTMRF3161)

Place: Bengaluru  
Date: May 27, 2022



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Properties.  
  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has a regular program of verification of Property, Plant and Equipment and Investment Properties so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of Property, Plant and Equipment and Investment Properties were due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) Based on our examination of the transfer deed and occupancy certificates provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in Property, Plant and Equipment and investment properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.  
  
(b) According to the information and explanations given to us, the Company has been sanctioned borrowing limits in the form of lease rental discounting (which includes utilising these limits to drawdown for the purposes of working capital) in excess of ₹ 5 crore, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets and non-current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising quarterly financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

## Deloitte Haskins & Sells

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under sub section 1 of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31 March 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount Involved#	Amount paid under protest Amount Deposited
				(Rs. INR millions)	(Rs. INR millions)
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2008-09	5.92	4.72
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2009-10	1.33	1.33
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2011-12	10.89	10.89
Income Tax Act, 1961	Income Tax- Penalty Proceedings	Commissioner of Income Tax (Appeals)	AY 2013-14	6.75	NIL
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2014-15	2.23	2.23
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2016-17	3.65	3.65
SEZ Act, 2005	Custom Duty	Assistant Development Commissioner, Noida Special Economic Zone	01-04-2015 to 15.02.2016	12.56	NIL

# The amounts presented above are excluding interest and penalty amount and are as per demand order.

## **Deloitte Haskins & Sells**

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion and based on information and explanation provided to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - (c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
  - (f) The Company does not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

## **Deloitte Haskins & Sells**

- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 193.87 million during the financial year covered by our audit and Rs. 118.07 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provision of section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
**Anand Subramanian**  
(Partner)  
(Membership No. 110815)  
(UDIN: 22110815AJTMR3161)

Place: Bengaluru  
Date: May 27, 2022

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Balance Sheet as at 31 March 2022**

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	44.45	38.14
Intangible assets	3	0.43	0.67
Investment property	4	22,653.25	22,900.61
Investment property under development	4	6.16	6.08
Financial assets			
-Other financial assets	5	263.14	279.96
Non-current tax assets (net)	6	878.92	805.96
Other non-current assets	7	33.18	53.14
<b>Total non-current assets</b>		<b>23,879.53</b>	<b>24,084.56</b>
<b>Current assets</b>			
Financial assets			
-Trade receivables	8.1	17.13	9.34
-Cash and cash equivalents	8.2 (a)	149.04	513.00
-Other bank balances	8.2 (b)	74.04	0.86
-Loans	8.3	-	-
-Other financial assets	8.4	69.95	142.23
Other current assets	9	63.58	75.86
<b>Total current assets</b>		<b>373.74</b>	<b>741.29</b>
<b>TOTAL ASSETS</b>		<b>24,253.27</b>	<b>24,825.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10.1	0.10	0.10
Other equity	10.2	(8,923.76)	(8,268.79)
<b>Total equity</b>		<b>(8,923.66)</b>	<b>(8,268.69)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
-Borrowings	11	27,915.12	28,326.28
-Other financial liabilities	12	426.60	294.95
Deferred tax liabilities (net)	13	2,614.73	2,694.11
Other non-current liabilities	14	67.97	57.05
<b>Total non-current liabilities</b>		<b>31,024.42</b>	<b>31,372.39</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	636.42	224.37
Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		0.08	0.10
- Total outstanding dues of creditors other than micro enterprises and small enterprises		136.00	134.91
Other financial liabilities	17	1,299.86	1,233.79
Other current liabilities	18	72.22	124.61
Current tax liabilities (net)	19	7.93	4.37
<b>Total current liabilities</b>		<b>2,152.51</b>	<b>1,722.15</b>
<b>Total liabilities</b>		<b>33,176.93</b>	<b>33,094.54</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,253.27</b>	<b>24,825.85</b>

Significant accounting policies

2

The accompanying notes from 1 to 36 form an integral part of these financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Anand Subramanian**  
Partner  
Membership No: 110815

**Alok Aggarwal**  
Director  
DIN: 00009964

**Munish Dayal Mathur**  
Director  
DIN: 09514930

Place: Bengaluru  
Date : 27 May 2022

Place: Gurugram  
Date : 27 May 2022

Place: Gurugram  
Date : 27 May 2022

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Statement of profit and loss for the year ended 31 March 2022**

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>			
Revenue from operations	20	3,088.67	3,107.60
Other income	21	13.03	7.18
<b>Total income</b>		<b>3,101.70</b>	<b>3,114.78</b>
<b>Expenses</b>			
Finance costs	22	2,499.32	2,502.26
Depreciation and amortisation expense	23	540.48	500.70
Other expenses	24	796.26	730.63
<b>Total expenses</b>		<b>3,836.06</b>	<b>3,733.59</b>
<b>(Loss) before tax</b>		<b>(734.36)</b>	<b>(618.81)</b>
<b>Tax expense:</b>			
Current tax	13		
-for current years		-	-
-for earlier years		-	(1.44)
Deferred tax (credit)	13	(79.39)	(146.13)
<b>(Loss) for the year</b>		<b>(654.97)</b>	<b>(471.24)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive (loss) for the year</b>		<b>(654.97)</b>	<b>(471.24)</b>
<b>(Loss) per equity share (nominal value of equity share INR 10 (previous year INR 10) each)</b>			
Basic (in INR)	29	(34,143.01)	(24,565.73)
Diluted (in INR)		(34,143.01)	(24,565.73)
Significant accounting policies	2		

The accompanying notes from 1 to 36 form an integral part of these financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Anand Subramanian**  
Partner  
Membership No: 110815

**Alok Aggarwal**  
Director  
DIN: 00009964

**Munish Dayal Mathur**  
Director  
DIN: 09514930

Place: Bengaluru  
**Date : 27 May 2022**

Place: Gurugram  
**Date : 27 May 2022**

Place: Gurugram  
**Date : 27 May 2022**

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Cash flow statement for the year ended 31 March 2022**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flow from operating activities:</b>		
(Loss) before tax	(734.36)	(618.81)
Adjustments for:		
Depreciation and amortization expenses	540.48	500.70
Interest income on fixed deposit	(11.90)	(6.29)
Advances written off	0.02	2.00
Property, plant and equipment written off	-	0.04
Credit Impaired	2.09	-
Allowance for expected credit loss	-	0.07
Finance cost	2,499.32	2,502.26
Deferred income amortization	(40.71)	(39.89)
Liabilities no longer required written back	(0.03)	-
<b>Operating cash flow before working capital changes</b>	<b>2,254.91</b>	<b>2,340.08</b>
<b>Adjustments:</b>		
Decrease / (Increase) in other current and non current assets	12.72	(36.80)
Decrease in current and non current financial assets	84.61	(3.67)
Increase / (Decrease) in current and non current financial liabilities	88.23	(8.90)
(Decrease) in other current and non current liabilities	(64.42)	(48.27)
<b>Cash flows generated from operating activities</b>	<b>2,376.05</b>	<b>2,242.44</b>
Income tax paid	(69.40)	(105.25)
<b>Net cash flows generated from operating activities (A)</b>	<b>2,306.65</b>	<b>2,137.19</b>
<b>Cash flow from investing activities:</b>		
Expenditure incurred on investment property	(282.43)	(756.39)
Purchase of property, plant and equipment	(11.17)	(17.84)
Fixed deposits matured*	81.86	31.33
Fixed deposits made*	(154.91)	(153.73)
Interest received on fixed deposit	6.40	10.17
<b>Net cash (used in) investing activities (B)</b>	<b>(360.25)</b>	<b>(886.46)</b>
<b>Cash flow from financing activities:</b>		
Finance cost paid	(2,352.82)	(2,493.02)
Proceeds from long-term borrowings	400.00	5,895.02
Repayment of long-term borrowing	(357.54)	(4,433.75)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,310.36)</b>	<b>(1,031.75)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(363.96)</b>	<b>218.97</b>

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Cash flow statement for the year ended 31 March 2022**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash and cash equivalents at the beginning of the year (refer note 8.2)</b>		
Balances with banks		
-in current account	48.24	101.93
-in deposit account	464.76	192.10
	<b>513.00</b>	<b>294.03</b>
<b>Cash and cash equivalents at the end of the year (refer note 8.2(a))</b>		
	<b>149.04</b>	<b>513.00</b>
<b>Components of cash and cash equivalents at the end of the year</b>		
Balances with banks		
- in current account	58.54	48.24
- in deposit account	90.50	464.76
	<b>149.04</b>	<b>513.00</b>

\* Represents fixed deposits with original maturity of more than 3 months.

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".
2. Refer note 24(b) for Corporate Social Responsibility expense.
3. Refer note 11(c) for changes in liabilities arising from financing activities.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 36 form an integral part of these financial statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Anand Subramanian**  
Partner  
Membership No: 110815

**Alok Aggarwal**  
Director  
DIN: 00009964

**Munish Dayal Mathur**  
Director  
DIN: 09514930

Place: Bengaluru  
**Date : 27 May 2022**

Place: Gurugram  
**Date : 27 May 2022**

Place: Gurugram  
**Date : 27 May 2022**



**Statement of changes in equity for the year ended 31 March 2022**

Additional Information Disclosure Pursuant to Schedul III of Companies Act, 2013 as per MCA notification dated 24 March 2021

**(a) Equity share capital**

**a) As at 31 March 2022**

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
0.10	-	-	-	0.10

**b) As at 31 March 2021**

Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
0.10	-	-	-	0.10

Additional Information Disclosure Pursuant to Schedul III of Companies Act, 2013 as per MCA notification dated 24 March 2021

**(b) Other equity**

**As at 31 March 2022**

Particulars	Equity component of compound financial instruments #	Reserves and Surplus		Total
		Securities premium account *	Accumulated (deficit)	
Balance at the beginning of the current reporting period	374.34	0.15	(8,643.28)	(8,268.79)
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Total comprehensive income for the current year	-	-	-	-
Dividends	-	-	-	-
Transfer to retained earnings	-	-	(654.97)	(654.97)
Conversion of 15% unsecured compulsorily convertible debentures	-	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>374.34</b>	<b>0.15</b>	<b>(9,298.25)</b>	<b>(8,923.76)</b>

**As at 31 March 2021**

Particulars	Equity component of compound financial instruments #	Reserves and Surplus		Total
		Securities premium account *	(Accumulated deficit)	
Balance at the beginning of the previous reporting period	374.34	0.15	(8,172.04)	(7,797.55)
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-
Total comprehensive income for the previous year	-	-	-	-
Dividends	-	-	-	-
Transfer to retained earnings	-	-	(471.24)	(471.24)
Conversion of 15% unsecured compulsorily convertible debentures	-	-	-	-
Debenture redemption reserve	-	-	-	-
<b>Balance at the end of the previous reporting period</b>	<b>374.34</b>	<b>0.15</b>	<b>(8,643.28)</b>	<b>(8,268.79)</b>

# It represents the equity component of compound financial instruments computed in accordance with Ind AS.

\*Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 36 form an integral part of these financial statements.

As per our report of even date attached.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Anand Subramanian**  
Partner  
Membership No: 110815

**Alok Aggarwal**  
Director  
DIN: 00009964

**Munish Dayal Mathur**  
Director  
DIN: 09514930

Place: Bengaluru  
Date : 27 May 2022

Place: Gurugram  
Date : 27 May 2022

Place: Gurugram  
Date : 27 May 2022

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **1. Corporate Information**

Candor Gurgaon One Realty Projects Private Limited (“the Company”) is in the business of developing commercial real estate property in India. It is primarily involved in developing and leasing of investment property in IT/ITeS Special Economic Zone (SEZ). The Company is developing a project in Tikri, Gurugram. The project has been notified as Special Economic Zone (SEZ) by the Government of India.

#### **2. Basis of preparation of financial statements and significant accounting policies**

##### **2.1 Basis of preparation**

###### **i) Statement of Compliance**

These Ind AS Financial statements (“financial statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act. All the amounts included in the financial statements are reported in millions of Indian Rupees and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements are authorized for issue by the Board of Directors on 27 May 2022.

On 24 March 2021, The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 01 April 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

###### **ii) Historical cost convention**

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

##### **2.2 Significant accounting policies**

###### **a) Functional and presentation currency**

The Financial Statements are presented in Indian rupees, which is the Company’s functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded off to nearest million except unit and per unit data.

###### **b) Basis of measurement**

The Financial Statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

The Financial Statements have been prepared on a going concern basis.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **c) Use of judgments and estimates**

The preparation of Financial Statements in conformity with generally accepted accounting principles in India (Ind AS) 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 Financial Statements is included in the following notes:

- (i) determination of useful life of investment property (Note 2.2 (f))
- (ii) determination of recoverable amount / fair value of investment property (Note 2.2 (f) and Note 4)
- (iii) determination of lease term (Note 2.2 (k))
- (iv) recognition / recoverability of deferred tax assets (Note 2.2 (m) and Note 13)

#### **d) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Company classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/ liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **e) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurement framework is adopted by the company to determine the fair value of various assets and liabilities measured or disclosed at fair value.

#### **f) Investment properties**

##### *Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, import duties and other non-refundable purchase taxes, borrowing costs directly attributable to the development and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

##### *Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in Statement of profit and loss.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)  
**Notes to the financial statements for the year ended 31 March 2022**

*Depreciation*

Investment property is depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of the investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	15
Furniture and Fixtures	10
Electrical fittings	10
Diesel generator sets	15
Air conditioners	5 – 15
Office Equipment	5 – 10
Computers	3 – 6
Electric Equipment	10
Kitchen Equipment	5

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its investment property recognized as at transition date, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Fair values are determined by an independent registered valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

**g) Property, plant and equipment and intangible assets**

*Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)  
**Notes to the financial statements for the year ended 31 March 2022**

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of a property, plant and equipment is recognized in Statement of profit and loss.

*Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

Estimated useful lives of items of property, plant and equipment are tabulated as follows: -

<b>Particulars</b>	<b>Useful Life (Years)</b>
Plant and Machinery	10 – 15
Furniture and Fixtures	5 – 10
Electrical fittings	10
Air conditioners	5
Office Equipment	1 – 5
Computers	1 – 6
Computer Software	1 – 5
Diesel generator sets	15
Vehicle	8

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of over 5 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as at transition date, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment and intangible assets.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **h) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **i) Foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the Statement of profit and loss.

#### **j) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)  
**Notes to the financial statements for the year ended 31 March 2022**

**(i) Financial Assets - Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

**• Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

**• Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

**• Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.



## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **• Equity instruments measured at fair value through other comprehensive income (FVOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

#### **(ii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **(iii) Impairment of financial assets**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date, is recognized as an impairment gain or loss in the Statement of Profit and Loss.

Trade Receivables are generally written off against the allowance only after all means of collection have been exhausted and the potential for recovery is considered remote.

#### **(iv) Financial liabilities – Recognition and Subsequent measurement**

The Company's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

The Company's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)  
**Notes to the financial statements for the year ended 31 March 2022**

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

• **Financial liabilities at amortized cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

(v) **Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

(vi) **Income/loss recognition**

• **Interest income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **• Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The Company considers practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

#### **(viii) Compound financial instruments**

Compound financial instruments issued by the Company comprise convertible debentures denominated in Indian Rupees that can be converted to ordinary shares at the option of the holder and issuer, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at fair value calculated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the EIR method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in Statement of profit and loss. On conversion at maturity and early conversion, the financial liability, if any, is reclassified to equity and no gains or losses are recognized.

#### **k) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

#### **As a lessee**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company has also availed the option of recognizing right-of-use asset equivalent to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of transition to Ind AS.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other financial liabilities (current and non-current)' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term

#### **As a Lessor**

The Company enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration under the contract to each component.

#### **1) Revenue recognition**

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Ind AS 115 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The Company's revenue from leases is outside the scope of Ind AS 115. The Company's material revenue streams subject to Ind AS 115 is non-lease components within lease arrangements arising from the recovery of certain operating expenses from tenants.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### *i. Income from Operating Lease Rentals*

Assets given by the Company under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, management considers all facts and circumstances including renewal, termination and market conditions.

Income from Operating Lease Rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

#### *ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when the Company has satisfied its performance obligation by delivering services as per terms of contract entered into with tenants.

### **m) Taxation**

Income tax expense comprises current and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

#### *(i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### *(ii) Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets—unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

#### **n) Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

#### **o) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### ***Identification of segments:***

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Based on an analysis of Company's structure and powers conferred, the Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Company is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

#### **p) Subsequent events**

The Financial Statements are prepared after reflecting adjusting and non-adjusting events that occur after the reporting period but before the Financial Statements are authorized for issue.

#### **q) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **r) Earnings per share**

Basic earnings per share are calculated by dividing the net profit / (loss) for the period attributable to equity share holders of the Company by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity share holders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.



## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31 March 2022**

#### **2.3 Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

**Ind AS 16- Property Plant and equipment** -The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets**-The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

Notes to the financial statements for the year ended 31 March 2022

**3 Property, plant and equipment**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2021	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 1 April 2021	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
<b>Assets (site)</b>										
Air conditioners	0.05	-	-	0.05	0.05	-	-	0.05	-	-
Plant and machinery	0.98	-	-	0.98	0.40	0.10	-	0.50	0.48	0.58
Furniture and fixtures	3.89	-	-	3.89	1.63	0.52	-	2.15	1.74	2.26
Office equipments	1.25	-	-	1.25	0.82	0.27	-	1.09	0.16	0.43
Electrical fittings	1.59	-	-	1.59	0.52	0.17	-	0.69	0.90	1.07
Computer hardwares	6.46	-	-	6.46	5.28	0.45	-	5.73	0.73	1.18
<b>Sub total</b>	<b>14.22</b>	<b>-</b>	<b>-</b>	<b>14.22</b>	<b>8.70</b>	<b>1.51</b>	<b>-</b>	<b>10.21</b>	<b>4.01</b>	<b>5.52</b>
<b>Assets (maintenance)</b>										
Computer hardwares	0.23	-	-	0.23	0.17	0.05	-	0.22	0.01	0.06
Plant and machinery	31.63	8.69	-	40.32	3.46	2.03	-	5.49	34.83	28.17
Furniture and fixtures	4.45	1.59	-	6.04	1.00	0.77	-	1.77	4.27	3.45
Office equipments	0.90	0.89	-	1.79	0.35	0.31	-	0.66	1.13	0.55
Air conditioners	0.87	-	-	0.87	0.48	0.19	-	0.67	0.20	0.39
<b>Sub total</b>	<b>38.08</b>	<b>11.17</b>	<b>-</b>	<b>49.25</b>	<b>5.46</b>	<b>3.35</b>	<b>-</b>	<b>8.81</b>	<b>40.44</b>	<b>32.62</b>
<b>TOTAL</b>	<b>52.30</b>	<b>11.17</b>	<b>-</b>	<b>63.47</b>	<b>14.16</b>	<b>4.86</b>	<b>-</b>	<b>19.02</b>	<b>44.45</b>	<b>38.14</b>

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2021	Additions during the year	Deletions/ Adjustments	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deletions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 1 April 2021
<b>Intangible assets</b>										
Computer Software	1.20	-	-	1.20	0.53	0.24	-	0.77	0.43	0.67
<b>Total</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>1.20</b>	<b>0.53</b>	<b>0.24</b>	<b>-</b>	<b>0.77</b>	<b>0.43</b>	<b>0.67</b>

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2020	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 1 April 2020	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
<b>Assets (site)</b>										
Air conditioners	0.05	-	-	0.05	0.05	-	-	0.05	-	-
Plant and machinery	0.98	-	-	0.98	0.29	0.11	-	0.40	0.58	0.69
Furniture and fixtures	3.89	-	-	3.89	1.08	0.55	-	1.63	2.26	2.81
Office equipments	1.25	-	-	1.25	0.48	0.34	-	0.82	0.43	0.77
Electrical fittings	1.59	-	-	1.59	0.34	0.18	-	0.52	1.07	1.25
Computer hardwares	6.46	-	-	6.46	4.45	0.83	-	5.28	1.18	2.01
<b>Sub total</b>	<b>14.22</b>	<b>-</b>	<b>-</b>	<b>14.22</b>	<b>6.69</b>	<b>2.01</b>	<b>-</b>	<b>8.70</b>	<b>5.52</b>	<b>7.53</b>
<b>Assets (maintenance)</b>										
Computer hardwares	0.23	-	-	0.23	0.10	0.07	-	0.17	0.06	0.13
Plant and machinery	16.17	15.46	-	31.63	1.41	2.05	-	3.46	28.17	14.76
Furniture and fixtures	2.55	1.90	-	4.45	0.38	0.62	-	1.00	3.45	2.17
Office equipments	0.42	0.48	-	0.90	0.20	0.15	-	0.35	0.55	0.22
Air conditioners	0.87	-	-	0.87	0.28	0.20	-	0.48	0.39	0.59
<b>Sub total</b>	<b>20.24</b>	<b>17.84</b>	<b>-</b>	<b>38.08</b>	<b>2.37</b>	<b>3.09</b>	<b>-</b>	<b>5.46</b>	<b>32.62</b>	<b>17.87</b>
<b>TOTAL</b>	<b>34.46</b>	<b>17.84</b>	<b>-</b>	<b>52.30</b>	<b>9.06</b>	<b>5.10</b>	<b>-</b>	<b>14.16</b>	<b>38.14</b>	<b>25.40</b>

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2020	Additions during the year	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
<b>Intangible assets</b>										
Computer Software	1.20	-	-	1.20	0.29	0.24	-	0.53	0.67	0.91
<b>Total</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>1.20</b>	<b>0.29</b>	<b>0.24</b>	<b>-</b>	<b>0.53</b>	<b>0.67</b>	<b>0.91</b>

Refer note 11 in respect of property, plant and equipment given as security in respect of secured borrowing taken from banks/others.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

**4 Investment property**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2021	Additions during the year	Deletions/ Adjustments	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deletions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
<b>Assets (constructed), given/expected to be given on operating lease</b>										
Freehold land	6,792.00	-	-	6,792.00	-	-	-	-	6,792.00	6,792.00
Air conditioners	925.54	10.32	-	935.86	171.24	69.35	-	240.59	695.27	754.30
Electrical equipments	881.15	15.91	-	897.06	241.73	102.90	-	344.63	552.43	639.42
Plant and machinery	749.23	19.81	-	769.04	144.82	56.41	-	201.23	567.81	604.41
Buildings	14,332.94	185.47	-	14,518.41	618.91	263.18	-	882.09	13,636.32	13,714.03
Office equipments	7.08	7.17	-	14.25	1.01	1.89	-	2.90	11.35	6.07
Diesel generator sets	451.80	25.88	-	477.68	102.81	35.39	-	138.20	339.48	348.99
Furniture and fixtures	40.72	24.00	-	64.72	3.73	5.20	-	8.93	55.79	36.99
Computers	6.89	0.97	-	7.86	3.05	2.39	-	5.44	2.42	3.84
<b>Sub total</b>	<b>24,187.35</b>	<b>289.53</b>	<b>-</b>	<b>24,476.88</b>	<b>1,287.30</b>	<b>536.71</b>	<b>-</b>	<b>1,824.01</b>	<b>22,652.87</b>	<b>22,900.05</b>
<b>Assets (food court), given/expected to be given on operating lease</b>										
Data processing Machines	0.00	-	-	0.00	0.00	-	-	0.00	-	-
Furniture and fixtures	1.11	-	-	1.11	0.55	0.18	-	0.73	0.38	0.56
Air conditioners	0.04	-	-	0.04	0.04	-	-	0.04	-	-
Kitchen equipments	1.51	-	-	1.51	1.51	-	-	1.51	-	-
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-	-
<b>Sub total</b>	<b>2.70</b>	<b>-</b>	<b>-</b>	<b>2.70</b>	<b>2.14</b>	<b>0.18</b>	<b>-</b>	<b>2.32</b>	<b>0.38</b>	<b>0.56</b>
<b>Investment property - under development #</b>										
Work in progress	6.08	272.08	272.00	6.16	-	-	-	-	6.16	6.08
<b>Total</b>	<b>24,196.13</b>	<b>561.61</b>	<b>272.00</b>	<b>24,485.74</b>	<b>1,289.44</b>	<b>536.89</b>	<b>-</b>	<b>1,826.33</b>	<b>22,659.41</b>	<b>22,906.69</b>

#The amount of INR 272.00 million shown under "Deletions/Adjustments" represents capitalization during the year.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2020	Additions during the year	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
<b>Assets (constructed), given/expected to be given on operating lease</b>										
Freehold land	6,792.00	-	-	6,792.00	-	-	-	-	6,792.00	6,792.00
Air conditioners	865.26	60.28	-	925.54	105.77	65.47	-	171.24	754.30	759.49
Electrical equipments	833.33	47.82	-	881.15	143.20	98.53	-	241.73	639.42	690.13
Plant and machinery	688.53	60.70	-	749.23	92.60	52.22	-	144.82	604.41	595.93
Buildings	13,016.24	1,316.70	-	14,332.94	379.19	239.72	-	618.91	13,714.03	12,637.05
Office equipments	4.59	2.49	-	7.08	0.12	0.89	-	1.01	6.07	4.47
Diesel generator sets	451.80	-	-	451.80	67.42	35.39	-	102.81	348.99	384.38
Furniture and fixtures	27.13	13.59	-	40.72	0.80	2.93	-	3.73	36.99	26.33
Computers	4.69	2.20	-	6.89	1.02	2.03	-	3.05	3.84	3.67
<b>Sub total</b>	<b>22,683.57</b>	<b>1,503.78</b>	<b>-</b>	<b>24,187.35</b>	<b>790.12</b>	<b>497.18</b>	<b>-</b>	<b>1,287.30</b>	<b>22,900.05</b>	<b>21,893.45</b>
<b>Assets (food court), given/expected to be given on operating lease</b>										
Data processing Machines	0.00	-	-	0.00	0.00	0.00	-	0.00	-	0.00
Furniture and fixtures	1.11	-	-	1.11	0.36	0.19	-	0.55	0.56	0.75
Air conditioners	0.04	-	-	0.04	0.04	-	-	0.04	-	-
Kitchen equipments	1.51	-	-	1.51	1.51	-	-	1.51	-	-
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-	-
<b>Sub total</b>	<b>2.70</b>	<b>-</b>	<b>-</b>	<b>2.70</b>	<b>1.95</b>	<b>0.19</b>	<b>-</b>	<b>2.14</b>	<b>0.56</b>	<b>0.75</b>
<b>Investment property - under development <sup>###</sup></b>										
Work in progress	800.34	689.03	1,483.29	6.08	-	-	-	-	6.08	800.34
<b>Total</b>	<b>23,486.61</b>	<b>2,192.81</b>	<b>1,483.29</b>	<b>24,196.13</b>	<b>792.07</b>	<b>497.37</b>	<b>-</b>	<b>1,289.44</b>	<b>22,906.69</b>	<b>22,694.54</b>

<sup>###</sup>The amount of INR 1,483.29 million shown under "Deletions/ Adjustments" represents capitalization during the year.

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022****Foot note:**

(i) Borrowing costs capitalized during the year amounts to INR 0.32 million (previous year - INR 59.61 million) (refer note 22). Capitalization rate for the year - 8.61% (previous year 9.11%)

(ii) Refer note 20 for future minimum lease payments under non cancellable operating leases in respect of investment properties given on lease.

(iii) The fair value of investment property (including under development) as at 31 March 2022 amounts to INR. 49,820 million (previous year INR 48,557 million), as per valuations performed by Mr. Shubhendu Saha the Valuer for the Investment Property is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since 15 May 2019. The fair value has been determined using discounted cash flow projections based on estimates of future cash flows. The main inputs used are achievable market rent, rental growth rate, expected vacancy rate, discount rate and capitalization rate based on comparable transactions and industry data. The fair value measurement of investment property has been categorized as Level 3.

(iv) The Company being a SEZ, has restrictions on the realisability of its investment properties . Further there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(v) Refer note 11 in respect of investment property given as security in respect of secured borrowing taken from banks/others

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021**

(vi) Capital work in progress aging schedule :

As at 31 March 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.89	-	0.27	-	6.16
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.39	1.69	-	-	6.08
Projects temporarily suspended	-	-	-	-	-

(vii) **Information regarding income and expenditure of Investment property:**

Rental and maintenance income derived from investment property

Direct operating expenses generating rental income\*

Profit arising from investment properties before depreciation and indirect expenses

\* No direct operating expenses have been incurred during the current year and previous year that did not generate rental income.

For the year ended	For the year ended
31 March 2022	31 March 2021
3,088.67	3,107.60
578.62	669.98
<b>2,510.05</b>	<b>2,437.62</b>

(viii) **Reconciliation for total depreciation charged:**

Total depreciation on property, plant and equipment for the year

Total depreciation on investment properties for the year

Less: depreciation during the construction period on site assets - capitalized

**Depreciation and amortization expense for the Year**

For the year ended	For the year ended
31 March 2022	31 March 2021
4.86	5.10
537.13	497.61
(1.51)	(2.01)
<b>540.48</b>	<b>500.70</b>

Notes to the financial statements for the year ended 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
<b>5 Non current financial assets - Other</b> (Unsecured and considered good)		
Security deposits*	66.18	66.38
Fixed deposits with banks**	135.00	135.12
Interest accrued but not due on fixed deposits	6.45	0.96
Lease rent equalization†	55.51	77.50
	<b>263.14</b>	<b>279.96</b>
*Includes receivable from related parties (refer note 28)		
**Fixed deposits of INR. 135.00 millions (31 Mar 2021 INR 135.12 millions) has been considered as non current, since the same are lien for long term purpose. Details are as follows :		
INR 0.00 millions (31 Mar 2021 INR 0.12 millions) given as Security deposit for sales tax registration.		
INR 135.00 millions (31 Mar 2021 INR 135.00) given as lien fixed deposit for debt service reserve account (ICICI Rupee Term Facility- from ICICI Bank Limited)		
†Classified as financial assets as right to consideration is unconditional and is due only after passage of time.		
<b>6 Non-current tax assets (net)</b>		
Advance income tax	878.92	805.96
	<b>878.92</b>	<b>805.96</b>
<b>7 Other non-current assets</b> (Unsecured and considered good)		
Capital advances	28.49	48.02
Prepaid expenses	4.69	5.12
	<b>33.18</b>	<b>53.14</b>
<b>8.1 Current financial assets - Trade receivables</b>		
Trade receivables considered good - unsecured	17.13	9.34
Trade receivables - credit impaired	16.03	15.36
Less: loss allowance	(16.03)	(15.36)
	<b>17.13</b>	<b>9.34</b>

Refer note 11 in respect of Trade receivables given as security in respect of secured borrowing taken from banks/others

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

As at 31 March 2022

Trade receivables ageing schedule:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	11.66	0.75	1.73	1.75	1.24	17.13
(ii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	0.57	3.53	11.93	16.03
(v) Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
	-	11.66	0.75	2.30	5.28	13.17	33.16
Less: loss allowance							(16.03)
<b>Total Trade receivables</b>							<b>17.13</b>

As at 31 March 2021

Trade receivables ageing schedule:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	2.68	0.64	3.77	1.40	0.85	9.34
(ii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	-	-
(iii) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – which have significant increase in credit risk	-	0.05	-	2.54	0.96	11.81	15.36
(v) Disputed Trade receivables credit impaired	-	-	-	-	-	-	-
	-	2.73	0.64	6.31	2.36	12.66	24.70
Less: loss allowance							(15.36)
<b>Total Trade receivables</b>							<b>9.34</b>

8.2 Current financial assets - Cash and cash equivalents

a) Balance with banks :		
- in current account	58.54	48.24
- in deposit account (with original maturity of 3 months or less)	90.50	464.76
b) Other bank balances :		
Deposit account with original maturity of more than 3 months and upto 12 months*	74.04	0.86
	<b>223.08</b>	<b>513.86</b>

\*Fixed deposits of INR 74.04 million (previous year INR 0.86 million) has been considered as current assets. Details are as follows :

-Includes INR 0.92 million (previous year INR 0.86 million) given as Bank Guarantee to Department of Industries & Commerce, Govt. of Haryana, Chandigarh.

-Includes INR 0.12 million (previous year INR Nil) given as Security deposit for sales tax registration.

-Includes INR 73.00 million (previous year INR Nil) given as lien fixed deposit for debt service reserve account (ICICI Rupee Term Facility- from ICICI Bank Limited)

Refer note 11 in respect of cash and cash equivalents given as security in respect of secured borrowing taken from banks/others

Notes to the financial statements for the year ended 31 March 2022

Particulars	As at	As at
	31 March 2022	31 March 2021
<b>8.3 Current financial assets - Loans</b>		
(Unsecured and considered doubtful)		
Advance to other vendors	0.24	0.24
Less: provision against advances recoverable	<u>-0.24</u>	<u>(0.24)</u>
	-	-
Loans Receivables - credit impaired	0.24	0.24
Less: provision against advances recoverable	<u>(0.24)</u>	<u>(0.24)</u>
	-	-
<b>8.4 Current financial assets - Other</b>		
(Unsecured and considered good)		
Unbilled revenue*	15.91	50.50
Lease rent equalization*	53.75	91.45
Interest accrued but not due on fixed deposits	<u>0.29</u>	<u>0.28</u>
	<b>69.95</b>	<b>142.23</b>

\*Classified as financial assets as right to consideration is unconditional and is due only after passage of time.

<b>9 Other current assets</b>		
(Unsecured and considered good)		
Advances to vendors	1.99	0.70
Prepaid expenses	20.56	6.49
Balance recoverable from government authorities	<u>41.03</u>	<u>68.67</u>
	<b>63.58</b>	<b>75.86</b>

**10.1 Equity share capital**

<b>Authorised</b>		
2,000,000 (Previous year 2,000,000 of INR 10 each) equity shares of INR 10 each	20.00	20.00
<b>Issued, subscribed and paid-up</b>		
10,063 (Previous year 10,063 of INR 10 each) equity shares of INR 10 each, fully paid-up	<u>0.10</u>	<u>0.10</u>
	<b>0.10</b>	<b>0.10</b>

**a. The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2022 and 31 March 2021 is set out below:**

Equity shares	Number of shares	Amount
As at 1 April 2020	10,063	0.10
Change during the year	-	-
As at 31 March 2021	10,063	0.10
Change during the year	-	-
As at 31 March 2022	<b>10,063</b>	<b>0.10</b>

**b. Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

**c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

	As at 31 March 2022	
	Number	Amount in INR
<b>Equity shares of INR 10 each fully paid up held by</b>		
BSREP India Office Holdings II Pte. Ltd.	10,057	100,570
BSREP India Office Holdings Pte. Ltd.	6	60
	<b>10,063</b>	<b>100,630</b>

	As at 31 March 2021	
	Number	Amount in INR
<b>Equity shares of INR 10 each fully paid up held by</b>		
BSREP India Office Holdings II Pte. Ltd.	10,057	100,570
BSREP India Office Holdings Pte. Ltd.	6	60
	<b>10,063</b>	<b>100,630</b>

**d. The Details of Shareholders Holding more than 5% Shares**

Name of Shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of holdings	No. of Shares	% of holdings
BSREP India Office Holdings II Pte. Ltd.	10,057.00	99.94%	10,057	99.94%

	Number	Amount
	<b>e. Shares reserved for issue under contract</b>	
As at 31 March 2021		
15% unsecured compulsorily convertible debentures, issued to BSREP India Office Holdings II Pte. Ltd. (refer note 11)	9,120	91,200
As at 31 March 2022		
15% unsecured compulsorily convertible debentures, issued to BSREP India Office Holdings II Pte. Ltd. (refer note 11)	9,120	91,200



Notes to the financial statements for the year ended 31 March 2022

Particulars	As at	
	31 March 2022	31 March 2021

Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021

f. Shares held by promoters

Promoter Name	Shares held by promoters as at 31 March 2022		Shares held by promoters as at 31 March 2021		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
BSREP India Office Holdings II Pte. Ltd.	10,057	99.94%	10,057	99.94%	0.00%
BSREP India Office Holdings Pte. Ltd.	6	0.06%	6.00	0.06%	0.00%
<b>Total</b>	<b>10,063</b>	<b>100.00%</b>	<b>10,063</b>	<b>100.00%</b>	

g. As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.

h. No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

10.2 Other Equity

Equity component of compound financial instruments	374.34	374.34
Securities premium	0.15	0.15
Accumulated (deficit)	(9,298.25)	(8,643.28)
	<b>(8,923.76)</b>	<b>(8,268.79)</b>

11 Borrowings

Non-current financial liabilities - Borrowings

Secured

Term loans from banks	4,466.72	4,443.53
Term loan from financial institutions	23,513.88	23,492.08
Less:- Current maturities of long term borrowings	(615.43)	(224.37)

Unsecured loan

From related parties (refer note 28)

Liability component of compound financial instruments (refer note(b) below)	549.95	615.04
	<b>27,915.12</b>	<b>28,326.28</b>

a.1) Terms for secured loan

As at 31 March 2022

Nature of loan	Lender	Security	Carrying amount	Terms of repayment
Lease rental discounting Interest @ PLR <sup>#</sup> less spread (Term : 15 Years)	HDFC LTD	The term loan is secured by hypothecation of movable assets, charge on bank accounts, insurance policies, escrow on receivables of the Company, mortgage on immovable properties other than tower 8, 8A, 10 (SEZ Office) & Club House, pledge of 85% shares of the Company held by the holding company & demand promissory note in favour of the lender.	23,123.50	Principal repayment: Upon completion of 24 months from the first drawdown date, the LRD (Lease rental discounting) facility shall be repaid in 156 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.  Interest payment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.
Loan against property Interest @ PLR <sup>#</sup> less spread (Term : 2 Years)			390.38	Principal repayment: Single monthly instalment on the date falling 2 (two) years from date of first disbursement.  Interest payment: At the applicable rate of interest on the outstanding principal of LAP (Loan against property) facility will be paid monthly on each interest payment date of the LAP Facility from the date of first disbursement till commencement of monthly instalment.

<sup>#</sup> Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - INR 17.13 million, (b) Cash and cash equivalents - INR 149.04 million, (c) Property, plant and equipment - INR 44.45 million and (d) Investment property - INR 22,659.85 million.

Nature of loan	Lender	Security	Carrying amount	Terms of repayment
Rupee term loan (Overdraft as sub limit) Interest @ MCLR <sup>**</sup> add spread (Term : 14 Years)	ICICI Bank Ltd.	The term loan is secured by equitable mortgage, hypothecation on the receivables, insurance proceeds, hypothecation on the escrow account of Tower 8, 8A, 10 (SEZ Office) & Club House and the DSR Sub-Account all monies credited/deposited and all investments, pledge of 15% shares of the Company.	4,466.72	Principal repayment: Upon completion of 24 months from the first drawdown date, the RTL (Rupee term loan) facility shall be repaid in 144 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.  Interest payment: At the applicable rate of interest on the outstanding principal of RTL facility will be paid monthly on each interest payment date of the RTL facility from the date of first disbursement till commencement of monthly instalments

<sup>\*\*</sup> Marginal cost of funds based lending rates (MCLR)

Note - The carrying value of financial assets pledged against secured loans is : Trade receivables - Nil

Notes to the financial statements for the year ended 31 March 2022

Particulars	As at	As at
	31 March 2022	31 March 2021

As at 31 March 2021

Nature of loan	Lender	Security	Carrying amount	Terms of repayment
Lease rent discounting Interest @ PLR <sup>#</sup> less spread (Term : 15 Years)	HDFC LTD	The term loan is secured by hypothecation of movable assets, charge on bank accounts, insurance policies, escrow on receivables of the Company, mortgage on immovable properties other than tower 8, 8A, 10 (SEZ Office) & Club House, pledge of 85% shares of the Company held by the holding company & demand promissory note in favour of the lender.	23,492.08	Principal repayment: Upon completion of 24 months from the first drawdown date, the LRD (Lease Rental Discounting) facility shall be repaid in 156 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.  Interest payment: At the applicable rate of interest on the outstanding principal of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments.

<sup>#</sup> Prime lending rate (PLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - INR 9.34 million, (b) Cash and cash equivalents - INR 513 million ,(c) Property, plant and equipment - INR 38.14 million and (d) Investment property - INR 22,907.36 million.

Nature of loan	Lender	Security	Carrying amount	Terms of repayment
Rupee term loan Interest @ MCLR <sup>##</sup> add spread (Term : 14 Years)	ICICI Bank Ltd.	The term loan is secured by equitable mortgage ,hypothecation on the receivables , insurance proceeds , hypothecation on the escrow account of Tower 8, 8A, 10 (SEZ office) & Club House and the DSR Sub-Account all monies credited/deposited and all investments, pledge of 15% shares of the Company.	4,443.53	Principal repayment: Upon completion of 24 months from the first drawdown date, the RTL (Rupee term loan) facility shall be repaid in 144 monthly instalments comprising of principal repayment and interest payment at the applicable interest rate.  Interest payment: At the applicable rate of interest on the outstanding principal of RTL facility will be paid monthly on each interest payment date of the RTL facility from the date of first disbursement till commencement of monthly instalments.

<sup>##</sup> Marginal cost of funds based lending rates (MCLR)

Note - The carrying value of financial assets pledged against secured loans is : Trade receivables - INR 3.22 million

Additional Information Disclosure Pursuant to Schedul III of Companies Act, 2013 as per MCA notification dated 24 March 2021

a.2) The Company's quarterly returns or statements comprising quarterly financials information filed with banks and financial institutions are in agreement with the books of accounts.

b) Debenture holder	Face Value INR	No. of Debentures	Date of issuance	Rate of Interest (per annum)	Compulsory conversion term
BSREP India Office Holdings II Pte. Ltd*	110,918	540	18-May-15	15%	18-May-28
BSREP India Office Holdings II Pte. Ltd*	110,631	1,575	20-Mar-15	15%	20-Mar-28
BSREP India Office Holdings II Pte. Ltd*	110,620	3,105	18-Mar-15	15%	18-Mar-28
BSREP India Office Holdings II Pte. Ltd*	110,596	3,900	15-Jan-15	15%	15-Jan-28

\* The Company and debenture holder shall have the right to convert debentures into equity shares any time after issue in 1:1 ratio. The interest on these Unsecured Compulsory Convertible Debentures (UCCD) is payable annually w.e.f. 01 April 2015, however the Company has the discretion of paying the interest at interim periods before compulsory conversion term. Also refer note 28.

c) Changes in liabilities arising from financing activities

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Opening balance</b>	28,758.95	27,271.41
<b>Cash movement</b>		
Loans received during the year (refer statement of cash flows)	400.00	5,895.02
Loans paid during the year (refer statement of cash flows)	(357.54)	(4,433.75)
Finance cost paid (refer statement of cash flows)	(2,352.82)	(2,493.02)
<b>Non cash movement</b>		
Finance cost (gross)	2,457.32	2,561.87
Other non cash changes in Finance cost	(6.88)	(42.58)
<b>Closing balance</b>	<b>28,899.03</b>	<b>28,758.95</b>

12 Non-current financial liabilities - Others

	As at 31 March 2022	As at 31 March 2021
Security deposit from lessee	425.18	284.99
Retention money	1.42	9.96
	<b>426.60</b>	<b>294.95</b>

**Notes to the financial statements for the year ended 31 March 2022**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>13 Tax expense</b>		
<b>(a) Amounts recognized in Statement of Profit and Loss</b>		
Current tax		
-for the year	-	-
-for earlier years	-	(1.44)
<b>Total current tax expense</b>	<b>-</b>	<b>(1.44)</b>
Deferred tax		
(i) Origination and reversal of temporary differences	(124.92)	(146.13)
(ii) Minimum alternate tax credit		
-for earlier years	45.53	-
<b>Deferred tax expense</b>	<b>(79.39)</b>	<b>(146.13)</b>
<b>Tax expense for the year</b>	<b>(79.39)</b>	<b>(147.57)</b>

**(b) Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate)**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(Loss) before tax</b>	<b>(734.36)</b>	<b>(618.81)</b>
Tax using the Company's domestic tax rate (Current year 29.12% and previous Year 29.12%)	(213.84)	(180.20)
<b>Tax effect of:</b>		
Deferred tax assets not recognized because realisation is not probable	54.59	47.67
Deferred tax asset not recognized on current and brought forward business losses	47.62	-
Tax for earlier years <sup>#</sup>	-	(1.44)
MAT Credit reversal as recovery is not probable	45.53	-
Others	(13.29)	(13.60)
	<b>(79.38)</b>	<b>(147.57)</b>

<sup>#</sup>Tax expense for the year ended 31 March 2022 INR Nil (previous year INR (1.44) million) is in relation to allowances/disallowances of certain expenses.

**(c) Deferred tax liabilities (net) as at 31 March 2022**

Particulars	Net balance as at 1 April 2021	Recognized in profit or loss	Net balance as at 31 March 2022
<b>Deferred tax assets (liabilities)</b>			
Investment properties & Property, plant & equipments	(3,784.44)	(153.73)	(3,938.17)
Borrowings	165.63	1.49	167.12
Provision for doubtful debts	4.47	0.20	4.67
Unabsorbed depreciation	786.98	276.96	1,063.94
MAT credit entitlement	133.25	(45.53)	87.72
<b>Tax assets (liabilities)</b>	<b>(2,694.11)</b>	<b>79.39</b>	<b>(2,614.73)</b>

Particulars	Net balance as at 1 April 2020	Recognized in profit or loss	Net balance as at 31 March 2021
<b>Deferred tax assets (liabilities)</b>			
Investment properties & Property, plant & equipments	(3,558.85)	(225.59)	(3,784.44)
Borrowings	94.75	70.88	165.63
Provision for doubtful debts	4.45	0.02	4.47
Unabsorbed depreciation & Losses	486.16	300.82	786.98
MAT credit entitlement	133.25	-	133.25
<b>Tax assets (liabilities)</b>	<b>(2,840.24)</b>	<b>146.13</b>	<b>(2,694.11)</b>

The Company has recognized deferred tax asset of INR 1,063.94 million (previous year INR 786.98 million) on unabsorbed depreciation and INR 87.72 million (previous year INR 133.25 million) on Mat credit entitlement, considering the deferred tax liability on existing taxable temporary differences that will reverse in the future and estimated taxable income for future years. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

As at 31 March 2022, unrecognized deferred tax assets amounting to INR 232.92 million (previous year INR 178.33 million) on unabsorbed interest u/s 94B of Income Tax Act 1961 and INR 47.62 million (previous year INR 26.20 million) on unabsorbed business losses which can be carried forward for specific period has been detailed below. The deferred tax asset has not been recognized on the basis that its recovery is not considered probable in the foreseeable future.

Deductible temporary differences on which deferred tax asset is not recognized:

March 31,	Particulars	Amounts (INR in million)	Deferred tax assets (INR in million)
2023	Unabsorbed business losses	89.99	26.20
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	134.17	39.07
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	149.91	43.65
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	164.63	47.94
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	163.69	47.67
2030	Unabsorbed interest u/s 94B of Income Tax Act 1961	187.46	54.59
2030	Unabsorbed business losses	73.55	21.42

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. It also depends on availability of taxable temporary differences when the deductible temporary differences are expected to reverse.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

Particulars	As at	As at
	31 March 2022	31 March 2021
<b>14 Other non-current liabilities</b>		
Deferred income	67.97	57.05
	<b>67.97</b>	<b>57.05</b>
<b>15 Current financial liabilities - Borrowings</b>		
<b>Secured</b>		
Bank overdraft	20.99	-
Current maturities of secured long term borrowings	615.43	224.37
	<b>636.42</b>	<b>224.37</b>
<b>16 Current financial liabilities - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises*	0.08	0.10
Total outstanding dues of creditors other than micro enterprises and small enterprises**	136.00	134.91
	<b>136.08</b>	<b>135.01</b>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at year end has been made in the Ind AS financial statements based on information available with the Company as under:

\*\* Includes payable to related parties (refer note 28)

Particulars	As at	As at
	31 March 2022	31 March 2021
(a) the principal amount remaining unpaid to any supplier at the end of financial year.	0.08	0.10
(b) the interest due on principal amount remaining unpaid to any supplier at the end of financial year.	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year.	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) the amount of interest accrued and remaining unpaid at the end of financial year.	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated March 24, 2021**

**b) Trade Payable ageing Schedule**

As at 31 March 2022	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.01	0.07	-	-	-	0.08
(ii) Others	135.56	0.36	0.08	-	-	136.00
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>135.57</b>	<b>0.43</b>	<b>0.08</b>	-	-	<b>136.08</b>

As at 31 March 2021	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.06	-	-	0.04	0.10
(ii) Others	130.75	3.17	0.21	-	0.78	134.91
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>130.75</b>	<b>3.23</b>	<b>0.21</b>	-	<b>0.82</b>	<b>135.01</b>

**17 Current - other financial liabilities**

**Other than related parties**

Interest accrued and not due on borrowings	18.62	18.72
Security deposit from lessee	795.93	873.65
Retention money	36.91	39.40
Other Payables	10.54	7.91
Capital creditors	88.01	104.53
<b>To related parties*</b>		
Interest accrued but not due on unsecured compulsorily convertible debentures	349.85	189.58
	<b>1,299.86</b>	<b>1,233.79</b>

\*refer note 28

**18 Other current liabilities**

Deferred income	42.07	36.79
Statutory dues payable	30.15	87.82
	<b>72.22</b>	<b>124.61</b>

**19 Current tax liabilities (Net)**

Provision for income tax	7.93	4.37
	<b>7.93</b>	<b>4.37</b>

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>20 Revenue from operations</b>		
<b>Sale of services</b>		
Income from operating lease rentals*	2,301.28	2,306.49
Income from maintenance services	787.39	801.11
	<b>3,088.67</b>	<b>3,107.60</b>
<b>* Assets given on operating lease</b>		
Total rental income for lock in period under non cancellable operating leases recognized during the year ended 31 March 2022 amounted to INR 647.31 Million (previous year INR 746.49 Million)		
The future minimum lease payments under non-cancellable operating leases are as follows:		
<b>Lease rentals recoverable</b>		
Not later than one year	770.10	613.75
Later than one year, not later than five years	1,869.17	769.35
Later than five years	144.29	-
<b>Total minimum lease recoverable</b>	<b>2,783.56</b>	<b>1,383.10</b>
<b>21 Other income</b>		
(a) <b>Interest income from financial assets at amortized cost</b>		
Interest income on fixed deposits with banks*	11.90	6.29
(b) <b>Others</b>		
Interest on income tax refund	-	-
Liabilities no longer required written back	0.03	-
Income from sale of garbage	1.10	0.89
Miscellaneous income	-	-
<b>Total other income</b>	<b>13.03</b>	<b>7.18</b>
*Interest on fixed deposit excludes income from temporary deposits made out of construction finance facility, the same has been netted off from borrowing cost capitalized. Refer note 22.		
<b>22 Finance costs</b>		
(a) <b>Interest and finance charges on financial liabilities at amortized cost</b>		
Interest on term loan	2,323.43	2,383.46
Interest on liability component of compound financial instrument	123.46	119.53
(b) <b>Others</b>		
Other borrowing costs	52.75	58.88
	2,499.64	2,561.87
Less: Transferred to Investment properties under development (refer note 4)	(0.32)	(59.61)
	<b>2,499.32</b>	<b>2,502.26</b>
<b>23 Depreciation and amortization expenses</b>		
- on property plant and equipment	3.35	3.09
- on investment property	537.13	497.61
	<b>540.48</b>	<b>500.70</b>

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>24 Other expenses</b>		
Property management fees	181.37	159.59
Power and fuel	257.00	279.81
Repair and maintenance	260.17	214.85
Insurance	7.26	5.94
Legal and professional expense	51.72	37.67
Audit fees (refer note (a) below)	1.45	1.45
Rates and taxes	12.55	6.69
Rental towards short term leases	3.31	3.17
Credit impaired	2.09	-
Advances written off	0.02	2.00
Property, plant and equipment written off	-	0.04
Allowance for expected credit loss	-	0.07
Corporate social responsibility expenses (refer note (b) below)	-	0.24
Miscellaneous expenses	19.32	19.11
	<b>796.26</b>	<b>730.63</b>
<b>a) Details of remuneration to auditors</b>		
As auditor (on accrual basis, excluding applicable taxes)		
- for statutory audit	1.40	1.40
- for other services	0.05	0.05
- for reimbursement of expenses	-	-
<b>Total</b>	<b>1.45</b>	<b>1.45</b>
<b>Additional Information Disclosure Pursuant to Schedule III of Companies Act, 2013 as per MCA notification dated 24 March 2021</b>		
<b>b) Details of Corporate Social Responsibility expenditure</b>		
i) Amount required to be spent by the Company during the year	-	0.19
ii) Amount spent by the Company during the year (in cash)		
- Construction/acquisition of any asset	-	-
- On purposes other than above	-	0.24
iii) Shortfall at the end of the year		
- Total of previous year's shortfall	-	-
- Reason for shortfall	-	-
iv) Reason for shortfall	-	-
v) Nature of CSR activities	NA	Green Belt Development, Subhash Chowk, Sec 48, Gurgaon
vi) Details of related party transactions (refer note 28)	-	-

## Candor Gurgaon One Realty Projects Private Limited

(All amounts are in INR million unless otherwise stated)

### Notes to the financial statements for the year ended 31 March 2022

#### 25. Financial risk management

##### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management framework.

The Company's risk management framework are established to identify and analyse the key risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees compliance with the Company's risk management framework and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Company's board of directors.

The Company's financial risk management is carried out by a treasury department (Company's treasury). The Company's treasury identifies, evaluates and hedges financial risks.

##### ii. Credit risk

Credit risk is the risk of the financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's maximum exposure to credit risk associated with financial assets is equivalent to the carrying value of each class of financial asset as separately presented in various financial statement captions.

Credit risk arises on financial assets and other financial in the event of debtors, default on the repayment to the Company. The Company mitigates this risk by attempting to ensure that adequate security/credit quality is in place.

Credit risk related to accounts receivable arises from the possibility that tenants may be unable to fulfill their lease commitments. The Company mitigates this risk by ensuring that tenants meet minimum credit quality requirements. The majority of the Company's trade receivables are collected within reasonable period.

Credit risk related to accounts receivable arises from the possibility that tenants may be unable to fulfill their lease commitments. The Company mitigates this risk by ensuring that tenants meet minimum credit quality requirements. The majority of the Company's trade receivables are collected within reasonable period.

To cater to the credit risk for banks and financial institutions, recognized banks/institutions are accepted. However, the maximum amount exposed to credit risk is limited to amount disclosed in financial statements.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

Movement in loss allowance for trade receivables during the year, which is primarily on account of tax recovery as summarized below:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	15.36	15.29
Loss allowance created during the year	-	0.07
Loss allowance reversed during the year	(0.03)	-
Others	0.70	-
<b>Balance at the end of the year</b>	<b>16.03</b>	<b>15.36</b>

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022****26 Financial instruments – Fair values and risk management****i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements.

	Carrying Amount		Fair Value	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Financial assets</b>				
Trade receivables #	17.13	9.34	17.13	9.34
Cash and cash equivalents #	149.04	513.00	149.04	513.00
Other financial assets #	407.13	423.05	407.13	423.05
<b>Total financial assets</b>	<b>573.30</b>	<b>945.39</b>	<b>573.30</b>	<b>945.39</b>
<b>Financial liabilities</b>				
Liability component of compound financial instrument*	549.95	615.04	1,054.80	933.00
Other borrowings #	28,001.59	27,935.61	28,001.59	27,935.61
Trade payables #	136.08	135.01	136.08	135.01
Other financial liabilities #	1,726.46	1,528.74	1,726.46	1,528.74
<b>Total financial liabilities</b>	<b>30,414.08</b>	<b>30,214.40</b>	<b>30,918.93</b>	<b>30,532.36</b>

# The fair value of financial assets and financial liabilities which are recognized at amortized cost has been disclosed to be same as carrying value as the carrying value approximately equals to their fair value.

\* fair value of the liability component of compound financial instruments, which are recognized at amortized cost, has been calculated at the present value of the future cash flows discounted at the current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

**ii) Measurement of fair values**

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price. Currently, there are no items falling under Level 1 fair valuation hierarchy.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Currently, there are no items falling under Level 2 fair valuation hierarchy.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuation under Level 1 and Level 2. There has been no transfers into or out of Level 3 of the fair value hierarchy for the years ended 31 March 2022 and 31 March 2021.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022****iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities. The Company seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

31 March 2022 INR in million	Carrying Amount	Contractual cash flows			
		Total	0 -1 year	1 -5 years	Above 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings					
-Term loans (including current maturities and interest accrued)	27,999.22	51,160.56	2,923.89	14,179.38	34,057.29
-Liability component of compound financial instrument	549.95	1,393.80	625.45	640.28	128.07
Trade payables	136.08	136.08	136.08	-	-
Other financial liabilities (excluding current maturities of term loans)	1,707.84	1,824.70	1,304.78	519.92	-

31 March 2021 INR in million	Carrying Amount	Contractual cash flows			
		Total	0 -1 year	1 -5 years	Above 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings					
-Term loans (including current maturities and interest accrued)	27,954.33	49,149.69	2,670.46	12,909.39	33,569.84
Liability component of compound financial instrument	804.62	1,326.90	398.48	640.28	288.14
Trade payables	135.01	135.01	135.01	-	-
Other financial liabilities (excluding current maturities of term loans)	1,320.44	1,605.03	1,240.04	364.99	-

The Company has undrawn borrowing facilities amounting to INR 2,112.28 million (previous year - INR 2,533.28 million).

Particulars	Total	Expiring within		
		0 -1 year	1 -5 years	Above 5 years
As at 31 March 2022	2,112.28	12.28	2,100.00	-
As at 31 March 2021	2,533.28	33.28	2,500.00	-

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022****iv. Market risk**

The Company is exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals), such as interest rates that will affect the Company's expense or the value of its holdings of financial instruments.

**Currency risk**

The Company's exposure to foreign currency risk is mainly on account of imports of capital goods, which is not material in proportion to the total expenses incurred by the Company.

There are no foreign currency receivables/payables as at 31 March 2022 INR Nil (previous year INR Nil).

**Interest rate risk**

The Company is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments as well as on the refinancing of fixed rate instrument. The Company's borrowings are principally denominated in Indian Rupees.

The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	Nominal amount in INR	
	31 March 2022	31 March 2021
<b>Fixed-rate instruments</b>		
Financial assets	299.54	600.75
Financial liabilities	(549.95)	(615.04)
	<b>(250.41)</b>	<b>(14.29)</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(27,980.60)	(27,935.61)
	<b>(27,980.60)</b>	<b>(27,935.61)</b>
<b>Total</b>	<b>(28,231.01)</b>	<b>(27,949.90)</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts shown below are net off borrowing cost capitalization of INR 0.04 million (previous year INR 6.50 million) using capitalization rate of respective year.

INR	Profit or loss (before tax)	
	100 bp increase	100 bp decrease
<b>31 March 2022</b>		
Variable-rate instruments	(279.77)	279.77
<b>Cash flow sensitivity (net)</b>	<b>(279.77)</b>	<b>279.77</b>
<b>31 March 2021</b>		
Variable-rate instruments	(272.86)	272.86
<b>Cash flow sensitivity (net)</b>	<b>(272.86)</b>	<b>272.86</b>

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022****27. Capital management**

The capital of the Company's business consists of debt obligation and equity. The Company's objective when managing this capital is to maintain an appropriate balance between holding a sufficient amount of funds to support its operations and reducing its weighted average cost of capital to improve return on equity.

The Company seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses. Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs.

	<b>Amount as at</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
Total debt (a)	28,899.02	28,758.95
Equity (b)	(8,923.66)	(8,268.69)
Total equity and net debt (a+b) =c	<u>19,975.36</u>	<u>20,490.26</u>
Capital gearing ratio (a/c)	145%	140%

As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to contractual obligations to the Company.

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

**28 Related party disclosures**

**a) Related parties and nature of the related party relationship where control exists.**

Description of relationship	Name of the party
Ultimate Holding Company	Brookfield Asset Management Inc.
Holding Company	BSREP India Office Holdings II Pte. Ltd.
Fellow subsidiaries	Candor India Office Parks Private Limited (upto 7 February 2021) Mountainstar India Office Parks Private Limited

**b) Transactions with related parties**

Nature of transaction/ Entity's Name	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Property management fee expense</b>		
Candor India office Parks Private Limited	-	47.68
Mountainstar India Office Parks Private Limited	135.13	65.43
<b>Advance for Property management Fees</b>		
Mountainstar India Office Parks Private Limited	11.66	-
<b>Reimbursement of expenses incurred by</b>		
Candor India Office Parks Private Limited	-	0.97
Mountainstar India Office Parks Private Limited	5.82	4.59
<b>Security deposit received ( Property management fee )</b>		
Candor India office Parks Private Limited	-	4.57
<b>Security deposit paid ( Property management fee )</b>		
Mountainstar India Office Parks Private Limited	-	4.57
<b>Interest expense on liability component on compulsory convertible debentures</b>		
BSREP India Office Holdings II Pte. Ltd.	123.46	119.53
<b>Payment of liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	65.09	47.96

**c) Outstanding balances**

	As at 31 March 2022	As at 31 March 2021
<b>Expense Payable for Reimbursement</b>		
Mountainstar India Office Parks Private Limited	0.01	0.99
<b>Security deposit receivable - Property management fee</b>		
Mountainstar India Office Parks Private Limited	4.57	4.57
<b>Interest accrued on liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	349.85	189.58
<b>Liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	549.95	615.04

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2022**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>29 (Loss) per share</b>		
(Loss) after tax as reported (INR million)	(654.97)	(471.24)
Weighted average number of equity shares for basic EPS (in number)	10,063	10,063
Add: Effect of compound financial instrument issued by the Company during the earlier years (in number)	9,120	9,120
Weighted average number of equity shares outstanding during the period (in number)	19,183	19,183
<b>Basic and diluted (loss) per share (face value of INR 10) in INR</b>	<b>(34,143.01)</b>	<b>(24,565.73)</b>

**30 Capital Commitments (net of advances)**

Capital commitments as at 31 March 2022 is INR 593.31 million (previous year INR 577.22 million)

Apart from the commitments disclosed above, the Company has no commitments other than those in the nature of regular business operations.

**31 Contingent liability**

	As at 31 March 2022	As at 31 March 2021
--	------------------------	------------------------

Income tax claims, disputed by the Company, not acknowledged as debt	214.30	214.30
----------------------------------------------------------------------	--------	--------

Contingent liabilities as at 31 March 2022 includes penalty amounting to INR 188.37 million (previous year INR 188.37 million) in relation to disallowance of settlement fees paid in earlier years for termination of contract.

Other contingencies includes of INR 25.93 million (Previous Year INR 25.93 million) relates to other disallowances under the Income Tax Act, 1961.

Further, the Company has made provisions for certain legal cases filed against / by the Company based on best available estimates.

**Notes to the financial statements for the year ended 31 March 2022**

**32 Segment reporting**

Basis of Segmentation and information about products and services

The Company's board of directors has been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. As the Company is primarily engaged in the business of developing and maintaining commercial real estate property (IT/ITeS SEZ) in India CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" are not applicable.

Customer A represented 20.00% and 20.51% of revenues in year 2022 and 2021 respectively, Customer B represented 11.77% and 11.68% of revenues in year 2022 and 2021 respectively and Customer C represented 10.70% and 8.21% of revenues in year 2022 and 2021 respectively.

- 33 During the year ended 31 March 2019, the Company at its Extra Ordinary General Meeting held on 14 January 2019 passed a special resolution (pursuant to the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 (the 'Companies Act') and Article No. 40 of Articles of Association of the Company) for reducing the issued, subscribed and paid up equity share capital of the Company from INR 190,630 divided into 19,063 equity shares of INR 10 each fully paid up, to INR 100,630 divided into 10,063 equity shares of INR 10 each fully paid up, by way of extinguishment and cancellation of upto 9,000 equity shares of INR 10 each, and that such reduction to be effected by returning capital to BSREP India Office Holdings II Pte. Ltd. (Holding Company) for an amount not exceeding INR 9,990 million.

Based on the above resolution, the Company filed a Capital Reduction Scheme with the National Company Law Tribunal, Mumbai Bench ("NCLT") on 15 January 2019 and the Company received the Order from NCLT dated 16 October 2019 ("Order") approving reduction in the equity share capital to the extent of 9,000 equity shares of INR 10 each and to adjust the premium payable on reduction of equity share capital (amounting to INR 9,989.91 Million) from the revaluation reserve (amounting to INR 4,930.61 million) and retained earnings (amounting to INR 5,059.30 million). Accordingly, the Company has reduced its equity share capital by cancelling 9,000 equity shares and made an aggregate payment of INR 9,990 million (including premium of INR 9,989.91 million) to BSREP India Office Holdings II Pte. Ltd. The premium paid on reduction of equity share capital is adjusted against retained earnings because, during the year 31 March 2019, the company has transitioned to Ind AS and in accordance with Ind AS 101 the balance in revaluation reserve has been adjusted to retained earnings.

**34 Additional Regulatory Information required by amendment by notification dated 24 March 2021 by Ministry of Corporate Affairs in Division II of Schedule III**

**(a) Relationship with struckoff Companies**

Name of struck off company	Nature of transactions with struck-off company	Transaction during the year 31 March 2022 (INR million)	Balance outstanding as on Mar 22 (INR million)	Relationship with the struck off company, if any, to be disclosed
Kwals Hospitality OPC Private Limited	Trade receivables	-	2.92	Customer
Kwals Hospitality OPC Private Limited	Security deposit payables	-	0.75	Customer

Name of struck off company	Nature of transactions with struck-off company	Transaction during the year 31 March 2021 (INR million)	Balance outstanding as on Mar 21 (INR million)	Relationship with the struck off company, if any, to be disclosed
Kwals Hospitality OPC Private Limited	Trade receivables	-	2.92	Customer
Kwals Hospitality OPC Private Limited	Security deposit payables	-	0.75	Customer

**(b) Financial Ratios**

	Numerator	Denominator	Ratio (FY 2021-22)	Ratio (FY 2020-21)	Variance#
Current Ratio	Current assets	Current liabilities	0.2	0.4	-59.7%
Debt-Equity Ratio	Total Debt ^	Shareholder's Equity	(3.2)	(3.5)	-6.8%
Debt Service Coverage Ratio	Earnings available for debt service**	Debt Service*	0.9	0.4	140.7%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	-7.6%	-5.9%	29.9%
Inventories turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA
Trade Receivables turnover ratio	Revenue	Average Trade Receivable	233.4	574.3	-59.4%
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	794.1	728.6	9.0%
Net capital turnover ratio	Revenue	Working Capital	(1.7)	(3.2)	-45.2%
Net profit ratio	Net Profit	Total Income	-21.1%	-15.1%	39.6%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed***	7.8%	8.1%	-3.9%
Return on investment (ROI)	Income generated from investments	Time weighted average investments	NA	NA	NA

^Total debts = Borrowings + Lease liabilities + interest accrued and not due on borrowings

\* Interest & Principal repayments

\*\*Earning for debt service=Net profit after taxes+Non Cash Operating Expenses like depreciation and other amortization+ Interest expense + Other adjustment like loss on sale of fixed assets etc

\*\*\*Tangible Net Worth + Total Debt^ + Deferred Tax Liability + Interest accrued and not due on borrowings

**# Explanation of variances exceeding 25%**

Current ratio is decreased due to increase in current maturities of secured long term borrowings

Debt service coverage ratio is increased due to higher prepayment of borrowings during the previous year

Return on Equity (ROE) is decreased due to increase in net losses during the year

Trade Receivables turnover ratio is decreased due to higher average trade receivables during the year

Net capital turnover ratio is improved due to higher efficiency on working capital during the year

Net profit ratio is decreased due to increase in net losses during the year

- 35 The Company had received certain amounts as share application money ("Share Application Money") prior to 31 March 2014, against which the Company had not allotted shares or refunded such Share Application Money. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with Paragraph 8(4) of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 (the Rules). During the period ended 31 March 2021, the Company had filed application u/s 441 of the Companies Act, 2013 for compounding of offence.

Pursuant to the hearing held on 30 December 2021, Hon'ble Regional Director accepted the compounding application(s) filed by the company and compounded the offence by levying a compounding fees, amounting to INR 0.30 million and passed the order dated 25 January 2022. The said compounding fees has been paid within the requisite timelines.

**36 Uncertainty relating to the global health pandemic on COVID-19**

The Company 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; the Company, as at the date of approval of these 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 the Company. Based on this analysis, the Company has concluded that there is no impairment to the carrying amount of investment property and the fair value of investment property disclosed in the Financial Statements represents the best estimate based on internal and external sources of information on the reporting date.

The impact of COVID-19 on the Company Financial Statements may differ from that estimated as at the date of approval of these Financial Statements.

For and on behalf of the Board of Directors of  
**Candor Gurgaon One Realty Projects Private Limited**

**Alok Aggarwal**  
Director  
DIN: 00009964

**Munish Dayal Mathur**  
Director  
DIN: 09514930

Place: Gurugram  
Date : 27 May 2022

Place: Gurugram  
Date : 27 May 2022

## **INDEPENDENT AUDITOR'S REPORT To The Members of Candor Gurgaon One Realty Projects Private Limited Report on the Audit of the Financial Statements**

### **Qualified Opinion**

We have audited the accompanying financial statements of Candor Gurgaon One Realty Projects Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Qualified Opinion**

Para 8(4) of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011, (the Rules) require that any allotment of securities against share application money received by a company, shall be completed within sixty days from the receipt of application money and in case the company is not able to allot the securities within the said period of sixty days, it shall repay the application money within fifteen days thereafter, failing which it will be required to be re-paid with interest at the rate of twelve percent per annum. The monies received on such application shall be kept in a separate bank account and shall not be utilised for any purpose other than (i) for adjustment against allotment of securities; or (ii) for the repayment of monies where the company is unable to allot securities.

Prior to 31 March 2014, the Company had received certain amounts as share application money ("Share Application Money"), against which the Company neither allotted shares nor refunded such Share Application Money. The segregation and maintenance of such Share Application Money in a separate bank account, and the utilization of such Share Application Money for general corporate purposes, was not in accordance with the Rules. Prior to 31 March 2014, (i) the Company had accrued interest on the Share Application Money in accordance with the requirements of the said Rules; and (ii) the Share Application Money (including accrued interest) was converted in full, to inter corporate deposits, based on legal advice obtained by the Company. As of date, all such inter corporate deposits have been repaid in full, and there are no outstanding dues payable by the Company in lieu of having received the Share Application Money. During the year, the Company has filed petition under the Act for compounding of offence. The impact, if any, of such non-compliances cannot be ascertained.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are



also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flows Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
**Anand Subramanian**  
Partner  
(Membership No. 110815)  
(UDIN: 21110815AAAACH3217)

Place: Bengaluru  
Date: 16 June 2021

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Candor Gurgaon One Realty Projects Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
**Anand Subramanian**  
Partner  
(Membership No. 110815)  
(UDIN: 21110815AAAACH3217)

Place: Bengaluru  
Date: 16 June 2021

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme for physical verification of its fixed assets (property, plant and equipment and investment property) by which all fixed assets (property, plant and equipment and investment property) are physically verified by the management once in a period of three years. Accordingly, in line with the plan during the current year, the Company has carried out physical verification of all fixed assets (property, plant and equipment and investment property). In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property included in its fixed assets (property, plant and equipment and investment property) are held in the name of the Company.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits, accordingly the provisions of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) or any other relevant provisions of the Companies Act, 2013 are not applicable. Accordingly, clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods and Services tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities. The provisions of Employee's State Insurance Act, 1948 and Provident Fund are not applicable to the Company.
  - b) There were no undisputed amounts payable in respect of Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- c) Details of dues of Income tax which have not been deposited as on 31 March 2021 on account of any dispute are disclosed below:

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Forum where the dispute is pending</b>	<b>Period to which amount relates</b>	<b>Amount Involved (INR million) #</b>	<b>Amount paid under protest (INR million)</b>
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2008-09	5.92	4.72
Income Tax Act, 1961	Income Tax	Assessing Officer	AY 2009-10	1.33	1.33
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2011-12	10.89	10.89
Income Tax Act, 1961	Income Tax-Penalty Proceedings	Commissioner of Income Tax (Appeals)	AY 2013-14	6.75	Nil
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2014-15	2.23	2.23
Income Tax Act, 1961	Income Tax	Income Tax Appellate tribunal	AY 2016-17	3.65	3.65
SEZ Act, 2005	Custom Duty	Assistant Development Commissioner, Noida Special Economic Zone	01-04-2015 to 15.02.2016	12.56	Nil

# the amounts presented above are excluding interest and penalty amount and are as per demand order

- (viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayments of loans or borrowings to banks, financial institutions and debenture holders. As explained to us, the Company has not taken any loans or borrowings from government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instrument). In our opinion and according to the information and explanations given to us, moneys raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of Section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

## **Deloitte Haskins & Sells**

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
**Anand Subramanian**  
(Partner)  
(Membership No. 110815)  
(UDIN: 21110815AAAACH3217)

Place: Bengaluru  
Date: 16 June 2021

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Balance Sheet as at 31 March 2021**

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	38.14	25.40
Intangible assets		0.67	0.91
Investment property	4	22,900.61	21,894.20
Investment property under development	4	6.08	800.34
Financial assets			
-Loans	5.1	66.38	65.92
-Other financial assets	5.2	213.58	115.42
Non-current tax assets (net)	6	801.59	694.90
Other non-current assets	7	53.14	69.85
<b>Total non-current assets</b>		<b>24,080.19</b>	<b>23,666.94</b>
<b>Current assets</b>			
Financial assets			
-Trade receivables	8.1	5.31	1.48
-Cash and cash equivalents	8.2 (a)	513.00	294.03
-Other bank balances	8.2 (b)	0.86	13.31
-Loans	8.3	-	-
-Other financial assets	8.4	142.23	116.15
Other current assets	9	75.86	39.84
<b>Total current assets</b>		<b>737.26</b>	<b>464.81</b>
<b>TOTAL ASSETS</b>		<b>24,817.45</b>	<b>24,131.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital	10.1	0.10	0.10
Other equity	10.2	(8,268.79)	(7,797.54)
<b>Total equity</b>		<b>(8,268.69)</b>	<b>(7,797.44)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
-Borrowings	11	28,326.28	22,716.62
-Other financial liabilities	12	294.95	338.19
Deferred tax liabilities (net)	13	2,694.11	2,840.24
Other non-current liabilities	14	57.05	65.21
<b>Total non-current liabilities</b>		<b>31,372.39</b>	<b>25,960.26</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	15		
- Total outstanding dues to micro and small enterprises		0.10	2.01
- Total outstanding dues to creditors other than micro and small enterprises		134.91	160.13
Other financial liabilities	16	1,450.25	5,636.23
Other current liabilities	17	128.49	170.56
<b>Total current liabilities</b>		<b>1,713.75</b>	<b>5,968.93</b>
<b>Total liabilities</b>		<b>33,086.14</b>	<b>31,929.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,817.45</b>	<b>24,131.75</b>

Significant accounting policies 2

The accompanying notes from 1 to 32 form an integral part of these financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Anand Subramanian**  
Partner  
Membership No: 110815

**Alok Aggarwal**  
Director  
DIN: 00009964

**Sanjeev Kumar Sharma**  
Director  
DIN: 00211963

Place: Bengaluru  
Date : 16 June 2021

Place: Gurugram  
Date : 16 June 2021

Place: Gurugram  
Date : 16 June 2021



**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Statement of profit and loss for the year ended 31 March 2021**

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	18	3,107.60	2,997.46
Other income	19	7.18	194.48
<b>Total income</b>		<b>3,114.78</b>	<b>3,191.94</b>
<b>Expenses</b>			
Finance costs	20	2,502.26	2,194.91
Depreciation and amortisation expense	21	500.70	427.11
Other expenses	22	730.63	886.79
<b>Total expenses</b>		<b>3,733.59</b>	<b>3,508.81</b>
<b>(Loss) before tax</b>		<b>(618.81)</b>	<b>(316.87)</b>
<b>Tax expense:</b>			
Current tax	13		
-for current years		-	-
-for earlier years		(1.44)	31.91
Deferred tax (credit)	13	(146.13)	(260.81)
<b>(Loss) for the year</b>		<b>(471.24)</b>	<b>(87.97)</b>
<b>Other comprehensive income</b>			<b>-</b>
<b>Total comprehensive (loss) for the year</b>		<b>(471.24)</b>	<b>(87.97)</b>
<b>(Loss) per equity share (nominal value of equity share Rs 10 (previous year Rs 10) each)</b>	27		
Basic (in INR)		(24,565.73)	(3,552.16)
Diluted (in INR)		(24,565.73)	(3,552.16)

Significant accounting policies

2

The accompanying notes from 1 to 32 form an integral part of these financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Anand Subramanian**  
Partner  
Membership No: 110815

**Alok Aggarwal**  
Director  
DIN: 00009964

**Sanjeev Kumar Sharma**  
Director  
DIN: 00211963

Place: Bengaluru  
Date : 16 June 2021

Place: Gurugram  
Date : 16 June 2021

Place: Gurugram  
Date : 16 June 2021

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR Millions unless otherwise stated)

**Cash flow statement for the year ended 31 March 2021**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flow from operating activities :</b>		
(Loss) before tax	(618.81)	(316.87)
Adjustments for :		
Depreciation and amortisation expense	500.70	427.11
Interest income on fixed deposit	(6.29)	(183.67)
Advances written off	2.00	0.49
Property, plant and equipment written off	0.04	-
Credit Impaired	-	0.22
Allowance for credit loss	0.07	0.33
Finance cost	2,502.26	2,194.91
Deferred income amortisation	(39.89)	(62.89)
Liabilities no longer required written back	-	(1.48)
<b>Operating cash flow before working capital changes</b>	<b>2,340.08</b>	<b>2,058.15</b>
<b>Adjustments :</b>		
(Increase) in other current and non current assets	(36.80)	(6.23)
Decrease in current and non current financial assets	0.36	95.81
(Decrease)/Increase in current and non current financial liabilities	(16.81)	83.17
(Decrease)/Increase in other current and non current liabilities	(44.39)	68.34
<b>Cash flows generated from operating activities</b>	<b>2,242.44</b>	<b>2,299.24</b>
Income tax paid	(105.25)	(251.14)
<b>Net cash flows generated from operating activities (A)</b>	<b>2,137.19</b>	<b>2,048.10</b>
<b>Cash flow from investing activities :</b>		
Expenditure incurred on investment property	(756.39)	(1,298.20)
Purchase of property, plant and equipment	(17.84)	(13.35)
Fixed deposits matured*	31.33	166.85
Fixed deposits made*	(153.73)	(124.75)
Interest received on fixed deposit	10.17	185.52
<b>Net cash (used in) investing activities (B)</b>	<b>(886.46)</b>	<b>(1,083.93)</b>
<b>Cash flow from financing activities :</b>		
Finance cost paid	(2,493.02)	(2,482.88)
Proceeds from long-term borrowings	5,895.02	22,641.99
Repayment of long-term borrowing	(4,433.75)	(9,619.41)
Repayment of short-term borrowing	-	(1,550.00)
Repayment of paid up capital (including premium) in accordance with Section 66 of the Companies Act, 2013 (refer note 31)	-	(9,990.00)
<b>Net cash (used in) financing activities (C)</b>	<b>(1,031.75)</b>	<b>(1,000.30)</b>
<b>Net increase / (decrease) increase in cash and cash equivalents (A+B+C)</b>	<b>218.97</b>	<b>(36.13)</b>

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR Millions unless otherwise stated)

**Cash flow statement for the year ended 31 March 2021**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash and cash equivalents at the beginning of the year (refer note 8.2)</b>		
Balances with banks		
-in current account	101.93	95.36
-in deposit account	192.10	234.80
	<b>294.03</b>	<b>330.16</b>
 <b>Cash and cash equivalents at the end of the year (refer note 8.2(a))</b>	 <b>513.00</b>	 <b>294.03</b>
 <b>Components of cash and cash equivalents at the end of the year</b>		
Balances with banks		
- in current account	48.24	101.93
- in deposit account	464.76	192.10
	<b>513.00</b>	<b>294.03</b>

\* Represents fixed deposits with original maturity of more than 3 months.

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

2. Refer note 22(b) for Corporate Social Responsibility expense.

3. Refer note 11(c) for changes in liabilities arising from financing activities.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 32 form an integral part of these financial statements.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of**Candor Gurgaon One Realty Projects Private Limited****Anand Subramanian**

Partner

Membership No: 110815

Place: Bengaluru

Date : 16 June 2021

**Alok Aggarwal**

Director

DIN: 00009964

Place: Gurugram

Date : 16 June 2021

**Sanjeev Kumar Sharma**

Director

DIN: 00211963

Place: Gurugram

Date : 16 June 2021

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Statement of changes in equity for the year ended 31 March 2021**

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Capital</b>				
<b>Balance at the beginning of the reporting year</b>	10,063	0.10	19,063	0.19
Reduction of share capital in accordance with Section 66 of the Companies Act, 2013 (refer note 31)	-	-	(9,000)	(0.09)
<b>Balance at the end of the reporting year</b>	10,063	0.10	10,063	0.10

**(b) Other equity**

Particulars	Equity component of compound financial instruments #	Reserves and surplus		Total
		Securities premium account *	Retained earnings/(Accumulated Deficit)	
<b>Balance at 31 March 2019</b>	374.34	0.15	1,905.85	2,280.34
Loss for the year	-	-	(87.97)	(87.97)
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	374.34	0.15	1,817.88	2,192.37
Less: Capital reduction in accordance with Section 66 of the Companies Act, 2013. (refer note 31)	-	-	(9,989.91)	(9,989.91)
<b>Balance at 31 March 2020</b>	374.34	0.15	(8,172.03)	(7,797.54)
Loss for the year	-	-	(471.24)	(471.24)
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	374.34	0.15	(8,643.28)	(8,268.79)
<b>Balance at 31 March 2021</b>	374.34	0.15	(8,643.28)	(8,268.79)

# It represents the equity component of compound financial instruments computed in accordance with Ind AS.

\*Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Significant accounting policies (refer note 2)

The accompanying notes from 1 to 32 form an integral part of these financial statements.

As per our report of even date attached.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 015125N

For and on behalf of the **Board of Directors** of  
**Candor Gurgaon One Realty Projects Private Limited**

**Anand Subramanian**  
Partner  
Membership No: 110815

Place: Bengaluru  
Date : 16 June 2021

**Alok Aggarwal**  
Director  
DIN: 00009964

Place: Gurugram  
Date : 16 June 2021

**Sanjeev Kumar Sharma**  
Director  
DIN: 00211963

Place: Gurugram  
Date : 16 June 2021

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

#### **1. Corporate Information**

Candor Gurgaon One Realty Projects Private Limited (“the Company”) is in the business of developing commercial real estate property in India. It is primarily involved in developing and leasing of investment property in IT/ITeS Special Economic Zone (SEZ). The Company is developing a project in Tikri, Gurugram. The project has been notified as Special Economic Zone (SEZ) by the Government of India.

The Company has been converted into private company on 1 October 2015 and got its name changed from Unitech Realty Projects Private Limited to Candor Gurgaon One Realty Projects Private Limited on 19<sup>th</sup> January 2016.

#### **2. Basis of preparation of financial statements and significant accounting policies**

##### **2.1 Basis of preparation**

###### **i) Statement of Compliance**

These Ind AS Financial statements (“financial statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act. All the amounts included in the financial statements are reported in millions of Indian Rupees and are rounded to the nearest million, except per share data and unless stated otherwise.

The financial statements are authorized for issue by the Board of Directors on 16 June 2021.

###### New and amended standards

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

###### **Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

Amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors to make the definition of material in Ind AS 1 easier to understand. The amendments are not intended to alter the underlying concept of materiality. The concept of ‘obscuring’ material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from ‘could influence’ to ‘could reasonably be expected to influence’.

The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Several other amendments apply for the first time for the year ending 31 March 2021, but does not have an impact on the financial statements of the Company.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

#### ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

## **2.2 Significant accounting policies**

### **a) Functional and presentation currency**

The Financial Statements are presented in Indian rupees, which is the Company's functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded off to nearest million except unit and per unit data.

### **b) Basis of measurement**

The Financial Statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

The Financial Statements have been prepared on a going concern basis.

### **c) Use of judgments and estimates**

The preparation of Financial Statements in conformity with generally accepted accounting principles in India (Ind AS) 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 Financial Statements is included in the following notes:

- (i) determination of useful life and residual values of investment property and property, plant and equipment (Note 2.2 (f) and (g))
- (ii) classification of assets as investment property or as property, plant and equipment (Note 2.2 (f) and (g))
- (iii) determination of recoverable amount / fair value of investment property (Note 2.2 (f) and Note 32)
- (iv) impairment of financial assets, property, plant and equipment and intangible assets (Note 2.2 (h) and (i))
- (v) recognition and measurement of provisions for contingencies and disclosure of contingent liabilities (Note 2.2 (n) and Note 29)
- (vi) determination of lease term (Note 2.2 (l))
- (vii) accounting of compound financial instrument (Note 2.2 (viii))
- (viii) recognition / recoverability of deferred tax assets (Note 2.2 (m))

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

#### **d) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Company classifies all other assets as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Current assets/liabilities include current portion of non-current financial assets/ liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **e) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and how market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Inputs to fair value measurement techniques are disaggregated into three hierarchical levels, which are directly based on the degree to which inputs to fair value measurement techniques are observable by market participants:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Fair value measurements are adopted by the Company to calculate the carrying amounts of various assets and liabilities.

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2021****f) Investment properties***Recognition and measurement*

Investment property consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties. The cost of commercial development properties includes direct development costs, realty taxes and borrowing costs directly attributable to the development. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

*Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of the assets not ready for its intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of an investment property is recognized in Statement of profit and loss.

*Depreciation*

Investment property are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of the investment property are tabulated as below:

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	15
Furniture and Fixtures	5 – 10
Electrical fittings	10 – 15
Diesel generator sets	15
Air conditioners	5 – 15
Office Equipment	5 – 10
Computers	3 – 6

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its investment property recognized as at transition date, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.



## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

Fair values are determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

#### **g) Property, plant and equipment and intangible assets**

##### *Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

##### *Subsequent expenditure and disposal*

Subsequent expenditure is capitalized to the property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a property, plant and equipment is replaced, the carrying amount of the replaced part is derecognized.

Any gain or loss from disposal of a property, plant and equipment is recognized in Statement of profit and loss.

##### *Depreciation*

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful lives of the assets have been determined by management after considering nature of assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

Estimated useful lives of items of property, plant and equipment are tabulated as follows: -

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

<b>Particulars</b>	<b>Useful Life (Years)</b>
Buildings	60
Plant and Machinery	5 – 15
Furniture and Fixtures	5 – 10
Electrical fittings	10
Air conditioners	5
Office Equipment	5 – 10
Computers	3 – 6
Computer Software	5

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortized over a period of 5 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each reporting period and the amortization period is revised to reflect the changed pattern, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as at transition date, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment and intangible assets.

**h) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognized in the Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill (if any) arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **i) Foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting period end exchange rates are generally recognized in the Statement of profit and loss.

#### **j) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **(i) Financial Assets - Recognition**

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

##### **• Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

##### **• Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

#### **• Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

#### **• Equity instruments measured at fair value through other comprehensive income (FVOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

#### **(ii) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

#### **(iii) Impairment of financial assets**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component and lease receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and lease receivables, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date, is recognized as an impairment gain or loss in the Statement of Profit and Loss.

#### **(iv) Financial liabilities – Recognition and Subsequent measurement**

The Company's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

The Company's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

##### **• Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

##### **• Financial liabilities at amortized cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

#### **(v) Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of profit and loss as other gains/(losses).

#### **(vi) Income/loss recognition**

##### **• Interest income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### **• Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The Company considers practical completion to have occurred when the physical construction of property is completed and the property is substantially ready for its intended use and is capable of operating in the manner intended by management. Capitalization of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

#### **(viii) Compound financial instruments**

Compound financial instruments issued by the Company comprise convertible debentures denominated in Indian Rupees that can be converted to ordinary shares at the option of the holder and issuer, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at fair value calculated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

## **Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR million unless otherwise stated)

### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the EIR method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in Statement of profit and loss. On conversion at maturity and early conversion, the financial liability, if any, is reclassified to equity and no gains or losses are recognized.

#### **k) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

#### **As a lessee**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company has also availed the option of recognizing right-of-use asset equivalent to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of transition to Ind AS.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

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### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other financial liabilities (current and non-current)' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term

#### **As a Lessor**

The Company enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration under the contract to each component.



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#### **l) Revenue recognition**

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Ind AS 115 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The Company's revenue from leases is outside the scope of Ind AS 115. The Company's material revenue streams subject to Ind AS 115 is non-lease components within lease arrangements arising from the recovery of certain operating expenses from tenants and Property management fees.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax, and applicable service level credits, discounts or price concessions. The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

##### *i. Income from Operating Lease Rentals*

Assets given by the Company under operating lease are included in investment property. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease commencement date. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. In determining the lease term, management considers all facts and circumstances including renewal, termination and market conditions.

Income from Operating Lease Rentals also includes percentage participating rents. Percentage participating rents are recognized when tenants' specified sales targets have been met.

##### *ii. Income from maintenance services*

Income from maintenance services consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income from maintenance services is recognized when the Company has satisfied its performance obligation by delivering services as per terms of contract entered into with tenants.

#### **m) Taxation**

Income tax expense comprises current and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

##### *(i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### *(ii) Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets—unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised. Further, no deferred tax asset/liabilities are recognized in respect of temporary differences that reverse within tax holiday period.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **n) Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the

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### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **o) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### ***Identification of segments:***

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Based on an analysis of Company's structure and powers conferred, the Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are empowered for all major decisions w.r.t. the management, administration, investment, disinvestment, etc.

As the Company is primarily engaged in the business of developing and maintaining commercial real estate properties in India, CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" in respect of reportable segments are not applicable.

#### **p) Subsequent events**

The Financial Statements are prepared after reflecting adjusting and non-adjusting events that occur after the reporting period but before the Financial Statements are authorized for issue.

#### **q) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **r) Earnings per share**

Basic earnings per share are calculated by dividing the net profit / (loss) for the period attributable to equity share holders of the Company by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity share holders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity

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### **Notes to the financial statements for the year ended 31<sup>st</sup> March 2021**

shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

#### **2.3 Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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Notes to the financial statements for the year ended 31 March 2021

**3 Property, plant and equipment**

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April 2020	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2021	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2020
<b>Assets (site)</b>								
Air conditioners	0.05	-	-	0.05	-	-	0.05	-
Plant and machinery	0.98	-	-	0.98	0.11	-	0.40	0.69
Furniture and fixtures	3.89	-	-	3.89	0.55	-	1.63	2.81
Office equipments	1.25	-	-	1.25	0.48	-	0.82	0.77
Electrical fittings	1.59	-	-	1.59	0.34	-	0.52	1.25
Computer hardwares	6.46	-	-	6.46	0.83	-	5.28	2.01
<b>Sub total</b>	<b>14.22</b>	<b>-</b>	<b>-</b>	<b>14.22</b>	<b>2.01</b>	<b>-</b>	<b>8.70</b>	<b>7.53</b>
<b>Assets (maintenance)</b>								
Computer hardwares	0.23	-	-	0.23	0.07	-	0.17	0.13
Plant and machinery	16.17	15.46	-	31.63	2.05	-	3.46	14.76
Furniture and fixtures	2.55	1.90	-	4.45	0.38	-	1.00	2.17
Office equipments	0.42	0.48	-	0.90	0.15	-	0.35	0.22
Air conditioners	0.87	-	-	0.87	0.20	-	0.48	0.59
<b>Sub total</b>	<b>20.24</b>	<b>17.84</b>	<b>-</b>	<b>38.08</b>	<b>3.09</b>	<b>-</b>	<b>5.46</b>	<b>17.87</b>
<b>TOTAL</b>	<b>34.46</b>	<b>17.84</b>	<b>-</b>	<b>52.30</b>	<b>5.10</b>	<b>-</b>	<b>14.16</b>	<b>25.40</b>

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2020	Additions during the year	Deletions/ Adjustments	As at 31 March 2021	Charge for the year	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020
<b>Intangible assets</b>								
Computer Software	1.20	-	-	1.20	0.24	-	0.53	0.91
<b>Total</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>1.20</b>	<b>0.24</b>	<b>-</b>	<b>0.53</b>	<b>0.91</b>

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**Notes to the financial statements for the year ended 31 March 2021**

Particulars	Gross block			Accumulated depreciation			Net block		
	Balance as at 1 April 2019	Additions during the year	Deletions/ Adjustments	Balance as at 31 March 2020	Balance as at 1 April 2019	Charge for the year	Deletions/ Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2019
<b>Assets (site)</b>									
Air conditioners	0.05	-	-	0.05	0.04	0.01	-	0.05	0.01
Plant and machinery	0.98	-	-	0.98	0.19	0.10	-	0.29	0.79
Furniture and fixtures	3.59	0.30	-	3.89	0.54	0.54	-	1.08	3.05
Office equipments	2.25	-	1.00	1.25	0.76	0.50	0.78	0.48	1.49
Electrical fittings	1.59	-	-	1.59	0.17	0.17	-	0.34	1.42
Computer hardwares	6.46	-	-	6.46	2.78	1.67	-	4.45	3.68
<b>Sub total</b>	<b>14.92</b>	<b>0.30</b>	<b>1.00</b>	<b>14.22</b>	<b>4.48</b>	<b>2.99</b>	<b>0.78</b>	<b>6.69</b>	<b>10.44</b>
<b>Assets (maintenance)</b>									
Computer hardwares	0.10	0.13	-	0.23	0.03	0.07	-	0.10	0.07
Plant and machinery	4.80	11.37	-	16.17	0.52	0.89	-	1.41	4.28
Furniture and fixtures	0.88	1.67	-	2.55	0.13	0.25	-	0.38	0.75
Office equipments	0.33	0.09	-	0.42	0.10	0.10	-	0.20	0.23
Air conditioners	0.54	0.33	-	0.87	0.13	0.15	-	0.28	0.41
<b>Sub total</b>	<b>6.65</b>	<b>13.59</b>	<b>-</b>	<b>20.24</b>	<b>0.91</b>	<b>1.46</b>	<b>-</b>	<b>2.37</b>	<b>5.74</b>
<b>TOTAL</b>	<b>21.57</b>	<b>13.89</b>	<b>1.00</b>	<b>34.46</b>	<b>5.39</b>	<b>4.45</b>	<b>0.78</b>	<b>9.06</b>	<b>16.18</b>

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2019	Additions during the year	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Charge for the year	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019
<b>Intangible assets</b>									
Computer Software	1.20	-	-	1.20	0.05	0.24	-	0.29	1.15
<b>Total</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>1.20</b>	<b>0.05</b>	<b>0.24</b>	<b>-</b>	<b>0.29</b>	<b>1.15</b>

Refer note 11 in respect of property, plant and equipment given as security in respect of secured borrowing taken from banks/others.

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Notes to the financial statements for the year ended 31 March 2021

4 Investment property

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2020	Additions during the year	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2020
<b>Assets (constructed), given/expected to be given on operating lease</b>									
Freehold land	6,792.00	-	-	6,792.00	-	-	-	-	6,792.00
Air conditioners	865.26	60.28	-	925.54	105.77	65.47	-	171.24	759.49
Electrical equipments	833.33	47.82	-	881.15	143.20	98.53	-	241.73	639.42
Plant and machinery	688.53	60.70	-	749.23	92.60	52.22	-	144.82	604.41
Buildings	13,016.24	1,316.70	-	14,332.94	379.19	239.72	-	618.91	13,714.03
Office equipments	4.59	2.49	-	7.08	0.12	0.89	-	1.01	6.07
Diesel generator sets	451.80	-	-	451.80	67.42	35.39	-	102.81	348.99
Furniture and fixtures	27.13	13.59	-	40.72	0.80	2.93	-	3.73	26.33
Computers	4.69	2.20	-	6.89	1.02	2.03	-	3.05	3.67
<b>Sub total</b>	<b>22,683.57</b>	<b>1,503.78</b>	-	<b>24,187.35</b>	<b>790.12</b>	<b>497.18</b>	-	<b>1,287.30</b>	<b>22,900.05</b>
<b>Assets (food court), given/expected to be given on operating lease</b>									
Assets (food court)									
Data processing Machines	0.00	-	-	0.00	0.00	0.00	-	0.00	0.00
Furniture and fixtures	1.11	-	-	1.11	0.36	0.19	-	0.55	0.75
Air conditioners	0.04	-	-	0.04	0.04	-	-	0.04	-
Kitchen equipments	1.51	-	-	1.51	1.51	-	-	1.51	-
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-
<b>Sub total</b>	<b>2.70</b>	-	-	<b>2.70</b>	<b>1.95</b>	<b>0.19</b>	-	<b>2.14</b>	<b>0.56</b>
<b>Investment property - under development</b>									
Work in progress	800.34	689.03	1,483.29	6.08	-	-	-	-	800.34
<b>Total</b>	<b>23,486.61</b>	<b>2,192.81</b>	<b>1,483.29</b>	<b>24,196.13</b>	<b>792.07</b>	<b>497.37</b>	-	<b>1,289.44</b>	<b>22,906.69</b>

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Notes to the financial statements for the year ended 31 March 2021

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 2019	Additions during the year	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Charge for the year	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019
<b>Assets (constructed), given/expected to be given on operating lease</b>									
Freehold land	6,792.00	-	-	6,792.00	-	-	-	6,792.00	6,792.00
Air conditioners	740.62	124.64	-	865.26	48.62	57.15	-	105.77	759.49
Electrical equipments	525.89	307.44	-	833.33	60.24	82.96	-	143.20	690.13
Plant and machinery	589.42	99.11	-	688.53	46.93	45.67	-	92.60	595.93
Buildings	10,829.61	2,186.63	-	13,016.24	176.30	202.89	-	379.19	12,637.05
Office equipments	-	4.59	-	4.59	-	0.12	-	0.12	-
Diesel generator sets	443.82	7.98	-	451.80	32.55	34.87	-	67.42	384.38
Furniture and fixtures	3.28	23.85	-	27.13	0.34	0.16	0.30	0.80	26.33
Computers	0.81	3.88	-	4.69	0.08	0.94	-	1.02	3.67
<b>Sub total</b>	<b>19,925.45</b>	<b>2,758.12</b>	<b>-</b>	<b>22,683.57</b>	<b>365.06</b>	<b>424.76</b>	<b>0.30</b>	<b>790.12</b>	<b>21,893.45</b>
<b>Assets (food court), given/expected to be given on operating lease</b>									
<b>Assets (food court)</b>									
Data processing Machines	0.00	-	-	0.00	0.00	-	-	0.00	0.00
Furniture and fixtures	1.11	-	-	1.11	0.18	0.18	-	0.36	0.75
Air conditioners	0.04	-	-	0.04	0.04	-	-	0.04	-
Kitchen equipments	1.51	-	-	1.51	1.04	0.47	-	1.51	-
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-
<b>Sub total</b>	<b>2.70</b>	<b>-</b>	<b>-</b>	<b>2.70</b>	<b>1.30</b>	<b>0.65</b>	<b>-</b>	<b>1.95</b>	<b>0.75</b>
<b>Investment property - under development</b>									
Work in progress	1,926.33	1,614.98	2,740.97	800.34	-	-	-	800.34	1,926.33
<b>Total</b>	<b>21,854.48</b>	<b>4,373.10</b>	<b>2,740.97</b>	<b>23,486.61</b>	<b>366.36</b>	<b>425.41</b>	<b>0.30</b>	<b>792.07</b>	<b>21,488.12</b>



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**Notes to the financial statements for the year ended 31 March 2021**

**Foot note:**

- (i) Borrowing costs capitalised during the period amounts to Rs. 59.61 millions (Previous year - Rs. 218.16 millions ) (refer note 20). Capitalisation rate for the period - 9.11 % (previous year 10.01%)
- (ii) Refer note 18 for future minimum lease payments under non cancellable operating leases in respect of investment properties given on lease.
- (iii) The fair value of investment property (including under development) as at 31 March 2021 amounts to Rs. 48,557 million (previous year Rs 46,709 million), as per valuations performed by external property valuers who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value has been determined using discounted cash flow projections based on estimates of future cash flows. The main inputs used are achievable market rent, rental growth rate, expected vacancy rate, discount rate and capitalisation rate based on comparable transactions and industry data. The fair value measurement of investment property has been categorised as Level 3.
- (iv) The Company being a SEZ, has restrictions on the realisability of its investment properties. Further there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (v) Refer note 11 in respect of investment property given as security in respect of secured borrowing taken from banks/others

**(vi) Information regarding income and expenditure of Investment property:**

Rental and maintenance income derived from investment property  
Direct operating expenses generating rental income\*  
Profit arising from investment properties before depreciation and indirect expenses  
\* No direct operating expenses have been incurred during the current year and previous year that did not generate rental income

**(vii) Reconciliation for total depreciation charged:**

Total depreciation on property, plant and equipment for the period  
Total depreciation on investment properties for the period  
Less: depreciation during the construction period on site assets - capitalised  
**Depreciation and amortisation expense for the period**

	For the year ended 31 March 2021	For the year ended 31 March 2020
	3,107.60	2,997.46
	669.98	817.16
	<b>2,437.62</b>	<b>2,180.30</b>

	For the year ended 31 March 2021	For the year ended 31 March 2020
	5.10	4.45
	497.61	425.65
	(2.01)	(2.99)
	<b>500.70</b>	<b>427.11</b>

Notes to the financial statements for the year ended 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
<b>5.1 Non current financial assets - Loans</b> <i>(Unsecured and considered good)</i>		
Security deposits*	66.38	65.92
	<u>66.38</u>	<u>65.92</u>
*Includes receivable from related parties (refer note 26)		
Loans receivables considered good - Unsecured	66.38	65.92
<b>5.2 Non current financial assets - Other</b> <i>(Unsecured and considered good)</i>		
Fixed deposits with banks*	135.12	0.28
Interest accrued but not due on fixed deposits	0.96	0.07
Lease rent equalisation <sup>†</sup>	77.50	115.07
	<u>213.58</u>	<u>115.42</u>
*Fixed deposits of Rs. 135.12 millions (31 Mar 2020 Rs 0.28 millions) has been considered as non current, since the same are lien for long term purpose. Details are as follows : Rs. 0.12 millions (31 Mar 2020 Rs. 0.28 millions) given as Security deposit for sales tax registration. Rs. 135 millions (31 Mar 2020 Rs. NIL) given as lien fixed deposit for debt service reserve account (ICICI Rupee Term Facility)		
<sup>†</sup> Classified as Financial assets as right to consideration is unconditional and is due only after passage of time.		
<b>6 Non-current tax assets (net)</b>		
Advance income tax, net of provision*	801.59	694.90
	<u>801.59</u>	<u>694.90</u>
*provision for income tax Rs. 83.22 million (31 Mar 2020 Rs. 84.35 million)		
<b>7 Other non-current assets</b> <i>(Unsecured and considered good)</i>		
<b>To parties other than related parties</b>		
Capital advances	48.02	65.51
Prepaid expenses	5.12	4.34
	<u>53.14</u>	<u>69.85</u>
<b>8.1 Current financial assets - Trade receivables</b>		
Trade Receivables considered good - unsecured	5.31	1.48
Trade receivables - credit impaired	15.36	15.29
Less: Loss allowance	(15.36)	(15.29)
	<u>5.31</u>	<u>1.48</u>
Refer note 11 in respect of trade receivables given as security in respect of secured borrowing taken from banks/others		
<b>8.2 Current financial assets - Cash and cash equivalents</b>		
a) Balance with banks :		
in current account	48.24	101.93
in deposit account (with original maturity of 3 months or less)	464.76	192.10
b) Other bank balances :		
Bank deposits due to mature within 12 months of reporting date*	0.86	13.31
	<u>513.86</u>	<u>307.34</u>
*Fixed deposits of Rs. 0.86 millions (31 Mar 2020 Rs 13.31 millions) has been considered as current assets. Details are as follows : Rs. 0.86 millions (31 Mar 2020 Rs. 0.81 millions) given as Bank Guarantee to department of Industries & Commerce, Govt. of Haryana, Chandigarh. Rs. NIL (31 Mar 2020 Rs. 12.50 millions) given as Bank Guarantee to President of India Haryana State Pollution Control Board, Panchkula.		
Refer note 11 in respect of cash and cash equivalents given as security in respect of secured borrowing taken from banks/others		
<b>8.3 Current financial assets - Loans</b> <i>(Unsecured and considered doubtful)</i>		
<b>To parties other than related parties</b>		
Advance to other vendors	0.24	0.24
Less: provision against advances recoverable	(0.24)	(0.24)
	<u>-</u>	<u>-</u>
Loans receivables which have significant increase in Credit Risk	0.24	0.24
Less: Loss allowance	(0.24)	(0.24)
<b>8.4 Current financial assets - Other</b> <i>(Unsecured and considered good)</i>		
<b>To parties other than related parties</b>		
Unbilled revenue*	50.50	24.72
Lease rent equalisation*	91.45	86.38
Interest accrued but not due on fixed deposits	0.28	5.05
	<u>142.23</u>	<u>116.15</u>
*Classified as Financial assets as right to consideration is unconditional and is due only after passage of time.		
<b>9 Other current assets</b> <i>(Unsecured and considered good)</i>		
Advances to vendors	0.70	3.48
Prepaid expenses	6.49	6.65
Balance recoverable from government authorities	68.67	29.71
	<u>75.86</u>	<u>39.84</u>

Notes to the financial statements for the year ended 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
<b>10.1 Capital</b>		
<b>Authorised</b>		
2,000,000 (Previous year 2,000,000) equity shares of Rs. 10 each	20.00	20.00
<b>Issued, subscribed and paid up</b>		
10,063 (Previous year 10,063) equity shares of Rs. 10 each, fully paid up	0.10	0.10
	<u>0.10</u>	<u>0.10</u>

a.Reconciliation of number of equity shares and amounts at the beginning and at the end of the reporting period.

Equity shares	Number of shares	Amount
As at 31 March 2019	19,063	0.19
Less : Reduction of share capital ( refer note 31 )	(9,000)	(0.09)
As at 31 March 2020	10,063	0.10
Change during the year	-	-
As at 31 March 2021	<u>10,063</u>	<u>0.10</u>

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2021	
	Number	Amount in INR
<b>Equity shares of Rs 10 each fully paid up held by</b>		
BSREP India Office Holdings II Pte. Ltd.	10,057	100,570.00
BSREP India Office Holdings Pte. Ltd.	6	60.00
	<u>10,063</u>	<u>100,630.00</u>
<b>Equity shares of Rs 10 each fully paid up held by</b>		
BSREP India Office Holdings II Pte. Ltd.	10,057	100,570.00
BSREP Moon C 1 L.P.	1	10.00
BSREP Moon C 2 L.P.	1	10.00
BSREP Moon C 3 L.P.	1	10.00
BSREP Moon C 4 L.P.	1	10.00
BSREP Moon C 5 L.P.	1	10.00
BSREP Moon C 6 L.P.	1	10.00
	<u>10,063</u>	<u>100,630.00</u>

d.Particulars of the shareholders holding more than 5% of a class of shares

Equity shares of INR 10 each fully paid up held by	Number	% of shares
As at 31 March 2020		
BSREP India Office Holdings II Pte. Ltd.	10,057	99.94%
As at 31 March 2021		
BSREP India Office Holdings II Pte. Ltd.	10,057	99.94%

e.Shares reserved for issue under contract

As at 31 March 2020	Number	Amount
15% unsecured compulsorily convertible debentures, issued to BSREP India Office Holdings II Pte. Ltd. (refer note 11)	9,120	91,200
As at 31 March 2021		
15% unsecured compulsorily convertible debentures, issued to BSREP India Office Holdings II Pte. Ltd. (refer note 11)	9,120	91,200

f. As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.

g. No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

10.2 Other Equity

Equity component of 15% unsecured compulsorily convertible debentures	374.34	374.34
Securities premium	0.15	0.15
(Accumulated deficit)	(8,643.28)	(8,172.03)
	<u>(8,268.79)</u>	<u>(7,797.54)</u>

Notes to the financial statements for the year ended 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
<b>11 Non-current financial liabilities - Borrowings</b>		
<b>Secured</b>		
Term loans from banks	4,443.53	-
Term loan from financial institution	23,492.08	26,447.25
Less:- Current maturities of long term borrowings	(224.37)	(4,393.63)
<b>Unsecured loan</b>		
From related parties (refer note 26)		
Liability component of compound financial instruments (refer note(b) below)	615.04	663.00
	<b>28,326.28</b>	<b>22,716.62</b>

a) Terms for secured loan

As at 31 March 2021

Nature of loan	Lender	Security	Carrying amount	Terms of repayment
Lease rent discounting Interest @ Prime Lending Rate (+) spread (Term : 15 Year)	HDFC LTD	The term loan is secured by hypothecation of movable assets, charge on bank accounts, insurance policies, escrow on receivables of the Company, mortgage on immovable properties other than tower 8, 8A, 10 (SEZ Office) & Club House, pledge of 85% shares of the Company held by the holding company & demand promissory note in favour of the lender.	23,492.08	Principle repayment: Upon completion of 24 months from the first drawdown date, the LRD (Lease Rental Discounting) facility shall be repaid in 156 monthly instalments comprising of principle repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principle of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments

Corporate prime lending rate (CPLR) and Marginal cost of funds based lending rates (MCLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - INR 5.31 million, (b) Cash and cash equivalents - INR 513 million .(c) Property, plant and equipment -INR 38.14 million and (d) Investment property - INR 22,907.36 million.

Nature of loan	Lender	Security	Carrying amount	Terms of repayment
Rupee Term Loan Interest @ MCLR (+) spread (Term : 14 Year)	ICICI Bank Ltd.	The term loan is secured by equitable mortgage ,hypothecation on the receivables , insurance proceeds , hypothecation on the escrow account of Tower 8, 8A, 10 (SEZ Office) & Club House and the DSR Sub-Account all monies credited/deposited and all investments, pledge of 15% shares of the Company.	4,443.53	Principle repayment: Upon completion of 24 months from the first drawdown date, the RTL (Rupee Term Loan) facility shall be repaid in 144 monthly instalments comprising of principle repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principle of RTL facility will be paid monthly on each interest payment date of the RTL facility from the date of first disbursement till commencement of monthly instalments

Corporate prime lending rate (CPLR) and Marginal cost of funds based lending rates (MCLR)

Note - The carrying value of financial assets pledged against secured loans is : Trade receivables - INR 3.22 million

As at 31 March 2020

Nature of loan	Lender	Security	Carrying amount	Terms of repayment
Lease rent discounting Interest @ CPLR/MCLR (+)(-) spread (Term : 15 Year)	HDFC LTD	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties, pledge of shares of the Company held by the holding company, charge on bank accounts and	22,053.63	Principle repayment: Upon completion of 24 months from the first drawdown date, the LRD facility shall be repaid in 156 monthly instalments comprising of principle repayment and interest payment at the applicable interest rate. Interest repayment: At the applicable rate of interest on the outstanding principle of LRD facility will be paid monthly on each interest payment date of the LRD facility from the date of first disbursement till commencement of monthly instalments
Construction Finance Interest @ CPLR/MCLR (+)(-) spread (Term : 4 Year)		insurance policies, escrow on receivables of the Company, demand promissory note in favour of the lender.	4,393.63	Principle repayment: Upon completion of 48 months from the first drawdown date, the CF facility shall be repaid. Interest repayment: At the applicable rate of interest on the outstanding principle of CF facility will be paid monthly on each interest payment date of the CF facility

Corporate prime lending rate (CPLR) and Marginal cost of funds based lending rates (MCLR)

Note - The carrying value of financial assets pledged against secured loans is : (a) Trade receivables - INR 1.48 million, (b) Cash and cash equivalents - INR 294.03 million .(c) Property, plant and equipment -INR 25.40 million and (d) Investment property - INR 22,695.45 million.

b) Debenture holder	Face Value Rs.	No. of Debentures	Date of issuance	Rate of Interest (per annum)	Compulsory conversion term
BSREP India Office Holdings II Pte. Ltd*	110,918	540	18-May-15	15%	18-May-28
BSREP India Office Holdings II Pte. Ltd*	110,631	1,575	20-Mar-15	15%	20-Mar-28
BSREP India Office Holdings II Pte. Ltd*	110,620	3,105	18-Mar-15	15%	18-Mar-28
BSREP India Office Holdings II Pte. Ltd*	110,596	3,900	15-Jan-15	15%	15-Jan-28

\* The Company and debentureholder shall have the right to convert debentures into equity shares any time after issue in 1:1 ratio. The interest on these UCDD is payable annually w.e.f. 01 April 2015, however the Company has the discretion of paying the interest at interim periods before compulsory conversion term. Also refer note 26.

Notes to the financial statements for the year ended 31 March 2021

Particulars	As at 31 March 2021	As at 31 March 2020
<b>c) Changes in liabilities arising from financing activities</b>		
	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Opening balance	27,271.41	15,901.09
Loans received during the year	5,895.02	22,641.99
Loans paid during the year	(4,433.75)	(11,169.41)
Finance cost (gross)	2,561.87	2,366.33
Other non cash changes in Finance cost	(42.58)	14.29
Finance cost paid	(2,493.02)	(2,482.88)
<b>Closing balance</b>	<b>28,758.95</b>	<b>27,271.41</b>

**12 Non-current financial liabilities - Others**

	As at 31 March 2021	As at 31 March 2020
Security deposit from lessee	284.99	337.72
Retention money	9.96	0.47
	<b>294.95</b>	<b>338.19</b>

Notes to the financial statements for the year ended 31 March 2021

13 Tax expense

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(a) Amounts recognised in Statement of Profit and Loss</b>		
Current income tax		
-for the year	-	-
-for earlier years	(1.44)	31.91
<b>Total current tax expense</b>	<b>(1.44)</b>	<b>31.91</b>
Deferred tax		
(i) Origination and reversal of temporary differences	(146.13)	(260.79)
(ii) Minimum alternate tax credit		
-for the year	-	(0.02)
<b>Deferred tax expense</b>	<b>(146.13)</b>	<b>(260.81)</b>
<b>Tax expense for the year</b>	<b>(147.57)</b>	<b>(228.90)</b>

**(b) Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate)**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Loss) before tax</b>	<b>(618.81)</b>	<b>(316.87)</b>
Tax using the Company's domestic tax rate (Current year 29.12% and previous Year 29.12%)	(180.20)	(92.27)
<b>Tax effect of:</b>		
Deferred tax assets not recognised because realisation is not probable	47.67	130.66
Deferred tax asset recognised on unabsorbed depreciation	-	(293.93)
Tax for earlier years <sup>#</sup>	(1.44)	31.91
Others	(13.60)	(5.27)
	<b>(147.57)</b>	<b>(228.90)</b>

<sup>#</sup>Tax expense for the year ended 31 March 2021 Rs. (1.44) million (previous year Rs. 31.91 million) is in relation to allowances/disallowances of certain expenses.

**(c) Deferred tax liabilities (net)**

Particulars	Net balance as at 1 April 2020	Recognised in profit or loss	Other Adjustments	Net balance as at 31 March 2021	Deferred tax asset as at 31 March 2021	Deferred tax liability as 31 March 2021
<b>Deferred tax assets (Liabilities)</b>						
Investment Properties	(3,558.85)	(225.59)	-	(3,784.44)	-	(3,784.44)
Borrowings	94.75	70.88	-	165.62	165.62	-
Provision for doubtful debts	4.45	0.02	-	4.47	4.47	-
Unabsorbed depreciation	486.16	300.82	-	786.99	786.99	-
MAT credit entitlement	133.25	-	-	133.25	133.25	-
<b>Tax assets (Liabilities)</b>	<b>(2,840.24)</b>	<b>146.13</b>	<b>-</b>	<b>(2,694.11)</b>	<b>1,090.33</b>	<b>(3,784.44)</b>

The Company has recognised deferred tax asset of Rs. 786.99 million (as at 31 March 2020 Rs. 486.16 million) on unabsorbed depreciation and INR 133.25 million (as at 31 March 2020 Rs. 133.25 million) on Mat credit entitlement, considering the deferred tax liability on temporary differences that will reverse in the future and estimated taxable income for future years.

Particulars	Net balance as at 1 April 2019	Recognised in profit or loss	Other Adjustments	Net balance as at 31 March 2020	Deferred tax asset as at 31 March 2020	Deferred tax liability as 31 March 2020
<b>Deferred tax assets (Liabilities)</b>						
Investment Properties	(3,488.43)	(70.39)	-	(3,558.85)	-	(3,558.85)
Borrowings	248.39	(153.64)	-	94.75	94.75	-
Provision for doubtful debts	5.75	(1.30)	-	4.45	4.45	-
Unabsorbed depreciation	-	486.16	-	486.16	486.16	-
MAT credit entitlement	133.27	(0.02)	-	133.25	133.25	-
<b>Tax assets (Liabilities)</b>	<b>(3,101.02)</b>	<b>260.81</b>	<b>-</b>	<b>(2,840.24)</b>	<b>718.61</b>	<b>(3,558.85)</b>

As at 31 March 2021, unrecognized deferred tax assets amounting to Rs. 178.33 million on unabsorbed interest u/s 94B of Income Tax Act 1961 and Rs.26.20 million on unabsorbed business losses which can be carried forward for specific period has been detailed below. The deferred tax asset has not been recognized on the basis that its recovery is not considered probable in the foreseeable future.

Deductible temporary differences on which deferred tax asset is not recognised:

March 31,	Particulars	Amounts (Rs in millions)	Deferred tax assets (Rs in millions)
2023	Unabsorbed business losses	89.99	26.20
2026	Unabsorbed interest u/s 94B of Income Tax Act 1961	134.17	39.07
2027	Unabsorbed interest u/s 94B of Income Tax Act 1961	149.91	43.65
2028	Unabsorbed interest u/s 94B of Income Tax Act 1961	164.63	47.94
2029	Unabsorbed interest u/s 94B of Income Tax Act 1961	163.69	47.67

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered. It also depends on availability of taxable temporary differences when the deductible temporary differences are expected to reverse

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>14 Other non-current liabilities</b>		
Deferred income	57.05	65.21
	<b>57.05</b>	<b>65.21</b>
<b>15 Current financial liabilities - Trade payables</b>		
- Total outstanding dues of micro and small enterprises*	0.10	2.01
- Total outstanding dues of creditors other than micro and small enterprises**	134.91	160.13
	<b>135.01</b>	<b>162.14</b>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at year end has been made in the Ind AS financial statements based on information available with the company as under :

\*\* Includes payable to related parties (refer note 26)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) the principal amount remaining unpaid to any supplier at the end of financial year.	0.10	2.01
(b) the interest due on principal amount remaining unpaid to any supplier at the end of financial year.	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year.	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) the amount of interest accrued and remaining unpaid at the end of financial year.	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**16 Current - other financial liabilities**

**Other than related parties**

Current maturities of secured long term borrowings (refer note 11)	224.37	4,393.63
Interest accrued and not due on borrowings	18.72	14.25
Security deposit from lessee	873.65	772.19
Retention money	39.40	69.53
Capital creditors	104.53	239.72
<b>To related parties*</b>		
Interest accrued but not due on unsecured compulsorily convertible debentures	189.58	146.91
	<b>1,450.25</b>	<b>5,636.23</b>

\*refer note 26

**17 Other current liabilities**

Advance from customers	3.88	56.50
Deferred income	36.79	46.36
Statutory dues payable	87.82	67.70
	<b>128.49</b>	<b>170.56</b>

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>18 Revenue from operations</b>		
<b>Sale of services</b>		
Income from operating lease rentals*	2,306.49	2,003.61
Income from maintenance services	801.11	993.85
	<b>3,107.60</b>	<b>2,997.46</b>
<b>* Assets given on operating lease</b>		
Total rental income for lock in period under non cancellable operating leases recognised during the year ended 31 March 2021 amounted to Rs. 746.49 Million (previous year Rs. 832.51 Million)		
The future minimum lease payments under non-cancellable operating leases are as follows:		
<b>Lease rentals recoverable</b>		
Not later than one year	613.75	741.86
Later than one year, not later than five years	769.35	990.67
Later than five years	-	-
<b>Total minimum lease recoverable</b>	<b>1,383.10</b>	<b>1,732.53</b>
<b>19 Other income</b>		
(a) <b>Interest income from financial assets at amortised cost</b>		
Interest income on fixed deposits with banks*	6.29	183.67
(b) <b>Others</b>		
Interest on income tax refund	-	6.29
Liabilities no longer required written back	-	1.48
Income from Sale of Garbage	0.89	0.58
Miscellaneous income	-	2.46
<b>Total other income</b>	<b>7.18</b>	<b>194.48</b>
*Interest on fixed deposit excludes income from temporary deposits made out of construction finance facility, the same has been netted off from borrowing cost capitalised. Refer note 20.		
<b>20 Finance costs</b>		
(a) <b>Interest and finance charges on financial liabilities at amortised cost</b>		
Interest paid on term loan	2,383.46	2,175.79
Interest on liability component of compound financial instrument	119.53	129.29
(b) <b>Others</b>		
Other borrowing costs	58.88	107.99
	<b>2,561.87</b>	<b>2,413.07</b>
Less: Transferred to Investment properties under development (refer note 4)	(59.61)	(218.16)
	<b>2,502.26</b>	<b>2,194.91</b>
<b>21 Depreciation and amortisation expense</b>		
- on property plant and equipment	3.09	1.46
- on investment property	497.61	425.65
	<b>500.70</b>	<b>427.11</b>



**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021**

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>22 Other expenses</b>		
Property management fees	159.59	183.96
Power and fuel	279.81	409.48
Repair and maintenance#	214.85	195.31
Insurance	5.94	4.69
Legal and professional expense	37.67	40.29
Audit fees (refer note (a) below)	1.45	1.40
Rates and taxes	6.69	2.50
Lease rent	3.17	3.49
Credit impaired	-	0.22
Advances written off	2.00	0.49
Property, plant and equipment written off	0.04	-
Allowance for credit loss	0.07	0.33
Corporate social responsibility expenses (refer note (b) below)	0.24	2.52
Miscellaneous expenses	19.11	42.11
	<b>730.63</b>	<b>886.79</b>
# pertains to income-generating properties		
<b>a) Details of remuneration to auditors</b>		
As auditor (on accrual basis, excluding applicable taxes)		
- for statutory audit	1.40	1.40
- for other services	0.05	-
- for reimbursement of expenses	-	-
<b>Total</b>	<b>1.45</b>	<b>1.40</b>
<b>b) Details of Corporate Social Responsibility expenditure</b>		
Amount required to be spent by the Company during the year	0.19	2.52
Amount spent by the Company during the year (in cash)		
- Construction/acquisition of any Asset	-	-
- On purposes other than above	0.24	2.52

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021**

**23. Financial risk management**

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management framework. The committee reports regularly to the board of directors on its activities.

The Company's risk management framework are established to identify and analyse the key risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk management committee oversees compliance with the Company's risk management framework and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The risk management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Company's board of directors.

The Company's financial risk management is carried out by a treasury department (Company's treasury). The Company's treasury identifies, evaluates and hedges financial risks.

**ii. Credit risk**

Credit risk is the risk of the financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's maximum exposure to credit risk associated with financial assets is equivalent to the carrying value of each class of financial asset as separately presented in various financial statement captions.

Credit risk arises on financial assets and other financial in the event of debtors, default on the repayment to the Company. The Company mitigates this risk by attempting to ensure that adequate security/credit quality is in place.

Credit risk related to accounts receivable arises from the possibility that tenants may be unable to fulfill their lease commitments. The Company mitigates this risk by ensuring that tenants meet minimum credit quality requirements. The majority of the Company's trade receivables are collected within reasonable period.

To cater to the credit risk for banks and financial institutions, recognised banks/institutions are accepted. However, the maximum amount exposed to credit risk is limited to amount disclosed in financial statements.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

Movement in loss allowance for trade receivables during the year, which is primarily on account of tax recovery as summarised below:

	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
Balance at the beginning of the year	15.29	19.74
Loss allowance created during the year	0.07	0.33
Loss allowance reversed during the year	-	(1.48)
Others	-	(3.30)
<b>Balance at the end of the year</b>	<b>15.36</b>	<b>15.29</b>

**Notes to the financial statements for the year ended 31 March 2021**

**24 Financial instruments – Fair values and risk management**

**i) Financial instruments by category and fair value**

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

	Carrying Amount		Fair Value	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Financial assets</b>				
Trade receivables #	5.31	1.48	5.31	1.48
Cash and cash equivalents #	513.00	294.03	513.00	294.03
Loans #	66.38	65.92	66.38	65.92
Other financial assets #	356.67	244.89	356.67	244.89
<b>Total financial assets</b>	<b>941.36</b>	<b>606.32</b>	<b>941.36</b>	<b>606.32</b>
<b>Financial liabilities</b>				
Liability component of compound financial instrument*	615.04	663.00	933.00	810.59
Other borrowings #	27,935.61	26,447.25	27,935.61	26,447.25
Trade payables #	135.01	162.14	135.01	162.14
Other financial liabilities #	1,520.83	1,580.80	1,520.83	1,580.80
<b>Total financial liabilities</b>	<b>30,206.49</b>	<b>28,853.19</b>	<b>30,524.45</b>	<b>29,000.78</b>

# The fair value of financial assets and financial liabilities which are recognised at amortised cost has been disclosed to be same as carrying value as the carrying value approximately equals to their fair value.

\* fair value of the liability component of compound financial instruments, which are recognised at amortized cost, has been calculated at the present value of the future cash flows discounted at the current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

**ii) Measurement of fair values**

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price. Currently, there are no items falling under Level 1 fair valuation hierarchy.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Currently, there are no items falling under Level 2 fair valuation hierarchy.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuation under Level 1 and Level 2. There has been no transfers into or out of Level 3 of the fair value hierarchy for the years ended 31 March 2021 and 31 March 2020.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Notes to the financial statements for the year ended 31 March 2021**

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities. The Company seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

31 March 2021	Carrying Amount	Contractual cash flows			
		Total	0-1 years	1-5 years	Above 5 years
INR					
<b>Non-derivative financial liabilities</b>					
Term loans (including current maturities and interest accrued)	27,954.33	49,149.69	2,670.46	12,909.39	33,569.84
Liability component of compound financial instrument	804.62	1,326.90	398.48	640.28	288.14
Trade payables	135.01	135.01	135.01	-	-
Other financial liabilities (excluding current maturities of term loans)	1,312.53	1,597.12	1,232.13	364.99	-
<b>31 March 2020</b>	<b>Carrying Amount</b>	<b>Contractual cash flows</b>			
INR		<b>Total</b>	<b>0-1 years</b>	<b>1-5 years</b>	<b>Above 5 years</b>
<b>Non-derivative financial liabilities</b>					
Term loans (including current maturities and interest accrued)	26,461.50	51,822.16	6,709.05	10,181.79	34,931.32
Liability component of compound financial instrument	809.91	1,433.48	344.99	640.28	448.21
Trade payables	162.14	162.14	162.14	-	-
Other financial liabilities (excluding current maturities of term loans)	1,419.64	1,500.24	1,084.92	415.32	-

The Company has undrawn borrowing facilities amounting to Rs.2,533.28 millions (previous year - Rs. 4,002.72 millions).

Particulars	Total	Expiring within		
		0-1 years	1-5 years	Above 5 years
As at 31 March 2021	2,533.28	33.28	2,500.00	-
As at 31 March 2020	4,002.72	74.42	3,928.30	-

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021****iv. Market risk**

The Company is exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals), such as interest rates that will affect the Company's expense or the value of its holdings of financial instruments.

**Currency risk**

The Company's exposure to foreign currency risk is mainly on account of imports of capital goods, which is not material in proportion to the total expenses incurred by the Company.

There are no foreign currency receivables/payables as at 31 March 2021 Rs. Nil (31 March 2020 Rs. Nil).

**Interest rate risk**

The Company is exposed to both fair value interest rate risk as well as cash flow interest rate risk arising both on short-term and long-term floating rate instruments as well as on the refinancing of fixed rate instrument. The Company's borrowings are principally denominated in Indian Rupees.

The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	Nominal amount in INR	
	31 March 2021	31 March 2020
<b>Fixed-rate instruments</b>		
Financial assets	600.75	205.69
Financial liabilities	(615.04)	(663.00)
	<u>(14.29)</u>	<u>(457.31)</u>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(27,935.61)	(26,447.25)
	<u>(27,935.61)</u>	<u>(26,447.25)</u>
<b>Total</b>	<u><u>(27,949.90)</u></u>	<u><u>(26,904.56)</u></u>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts shown below are net off borrowing cost capitalisation of Rs. 6.50 millions (previous year Rs. 23.91 million) using capitalisation rate of respective year.

INR	Profit or loss (before tax)	
	100 bp increase	100 bp decrease
<b>31 March 2021</b>		
Variable-rate instruments	(272.86)	272.86
<b>Cash flow sensitivity (net)</b>	<u>(272.86)</u>	<u>272.86</u>
<b>31 March 2020</b>		
Variable-rate instruments	(240.56)	240.56
<b>Cash flow sensitivity (net)</b>	<u>(240.56)</u>	<u>240.56</u>

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021****25. Capital management**

The capital of the Company's business consists of debt obligation and equity. The Company's objective when managing this capital is to maintain an appropriate balance between holding a sufficient amount of funds to support its operations and reducing its weighted average cost of capital to improve return on equity.

The Company seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses. Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs.

	Amount as at	
	31 March 2021	31 March 2020
Total debt (a)	28,758.95	27,271.41
Equity (b)	(8,268.69)	(7,797.44)
Total equity and net debt (a+b) =c	20,490.26	19,473.97
Capital gearing ratio (a/c)	140%	140%

As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to contractual obligations to the Company.

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021****26 Related party disclosures**

- a. Related parties and nature of the related party relationship where control exists.

Description of relationship	Name of the party
Ultimate Holding Company	Brookfield Asset Management Inc.
Holding Company	BSREP India Office Holdings II Pte. Ltd.
Fellow subsidiaries	Candor India Office Parks Private Limited (upto 7 February 2021)
	Mountainstar India Office Parks Private Limited

**b Transactions with related parties**

Nature of transaction/ Entity's Name	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Property management fee expense</b>		
Candor India office Parks Private Limited	47.68	135.73
Mountainstar India Office Parks Private Limited	65.43	-
<b>Reimbursement of expenses incurred by</b>		
Candor India office Parks Private Limited	0.97	9.57
Mountainstar India Office Parks Private Limited	4.59	-
<b>Security deposit Received ( Property management fee )</b>		
Candor India office Parks Private Limited	4.57	-
<b>Security deposit Paid ( Property management fee )</b>		
Mountainstar India Office Parks Private Limited	4.57	-
<b>Capital reduction (including premium on redemption of equity shares)*</b>		
BSREP India Office Holdings II Pte. Ltd.	-	9,990.00
<b>Interest expense on liability component on compulsory convertible debentures</b>		
BSREP India Office Holdings II Pte. Ltd.	119.53	129.29
<b>Payment of Liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	47.96	42.88

\* Refer Note 31

**Candor Gurgaon One Realty Projects Private Limited**  
(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021**

<b>c Outstanding balances</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Trade Payable</b>		
Candor India Office Parks Private Limited	-	5.08
<b>Expense Payable for Reimbursement</b>		
Mountainstar India Office Parks Private Limited	0.99	-
<b>Security deposit receivable - Property management fee</b>		
Candor India office Parks Private Limited	-	4.57
Mountainstar India Office Parks Private Limited	4.57	-
<b>Interest accrued on liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	189.58	146.91
<b>Liability component of compound financial instrument</b>		
BSREP India Office Holdings II Pte. Ltd.	615.04	663.00

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

For the year ended 31 March 2021 and 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.



**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>27 (Loss) per share</b>		
(Loss) after tax as reported (INR millions)	(471.24)	(87.97)
Weighted average number of equity shares for basic EPS (in number)	10,063	15,645
Add: Effect of compound financial instrument issued by the company during the earlier years (in number)	9,120	9,120
Weighted average number of equity shares outstanding during the period (in number)	19,183	24,765
<b>Basic and diluted (loss) per share (face value of INR 10) in INR</b>	<b>(24,565.73)</b>	<b>(3,552.16)</b>

**28 Capital Commitments (net of advances)**

Capital commitments as at 31 March 2021 is Rs. 577.22 millions (31 March 2020 Rs. 728.53 millions)

Apart from the commitments disclosed above, the Company has no commitments other than those in the nature of regular business operations.

29 Contingent liability	As at 31 March 2021	As at 31 March 2020
Income tax claims, disputed by the Company, not acknowledged as debt	214.30	225.31

Contingent liabilities as at 31 March 2021 includes penalty amounting to Rs.188.37 million (previous year Rs. 188.37 million) in relation to disallowance of settlement fees paid in earlier years for termination of contract.

Other contingencies includes Rs. 25.93 million (Previous Year Rs. 36.94 million) relating to other disallowances under the Income Tax Act, 1961.

Further, the Company has made provisions for certain legal cases filed against / by the Company based on best available estimates.

**Candor Gurgaon One Realty Projects Private Limited**

(All amounts are in INR Millions unless otherwise stated)

**Notes to the financial statements for the year ended 31 March 2021**

**30 Segment reporting**

Basis of Segmentation and information about products and services

The Company's board of directors has been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. As the Company is primarily engaged in the business of developing and maintaining commercial real estate property (IT/ITeS SEZ) in India CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" are not applicable.

Customer A represented 20.51% and 21.69% of revenues in year 2021 and 2020 respectively and Customer B represented 11.68% and 10.42% of revenues in year 2021 and 2020 respectively

- 31 During the year ended 31 March 2019, the Company at its Extra Ordinary General Meeting held on 14 January 2019 passed a special resolution (pursuant to the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 (the 'Companies Act') and Article No. 40 of Articles of Association of the Company) for reducing the issued, subscribed and paid up equity share capital of the Company from Rs. 190,630 divided into 19,063 equity shares of Rs. 10 each fully paid up, to Rs. 100,630 divided into 10,063 equity shares of Rs. 10 each fully paid up, by way of extinguishment and cancellation of upto 9,000 equity shares of Rs.10 each, and that such reduction to be effected by returning capital to BSREP India Office Holdings II Pte. Ltd. (Holding Company) for an amount not exceeding Rs. 9,990 million.

Based on the above resolution, the Company filed a Capital Reduction Scheme with the National Company Law Tribunal, Mumbai Bench ("NCLT") on 15 January 2019 and the Company received the Order from NCLT dated 16 October 2019 ("Order") approving reduction in the equity share capital to the extent of 9,000 equity shares of Rs 10 each and to adjust the premium payable on reduction of equity share capital (amounting to Rs. 9,989.91 Million) from the revaluation reserve (amounting to Rs. 4,930.61 million) and retained earnings (amounting to Rs. 5,059.30 million). Accordingly, the Company has reduced its equity share capital by cancelling 9,000 equity shares and made an aggregate payment of Rs 9,990 million (including premium of Rs. 9,989.91 million) to BSREP India Office Holdings II Pte. Ltd. The premium paid on reduction of equity share capital is adjusted against retained earnings because, during the current year, the company has transitioned to Ind AS and in accordance with Ind AS 101 the balance in revaluation reserve has been adjusted to retained earnings.

**32 Uncertainty relating to the global health pandemic on COVID-19**

The Company 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; the company, as at the date of approval of these 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 the company. Based on this analysis, the company has concluded that there is no impairment to the carrying amount of investment property and the fair value of investment property disclosed in the Financial Statements represents the best estimate based on internal and external sources of information on the reporting date.

The impact of COVID-19 on the company Financial Statements may differ from that estimated as at the date of approval of these Financial Statements.

For and on behalf of the Board of Directors of  
**Candor Gurgaon One Realty Projects Private Limited**

**Alok Aggarwal**  
Director  
DIN: 00009964

**Sanjeev Kumar Sharma**  
Director  
DIN: 00211963

Place: Gurugram  
Date : 16 June 2021

Place: Gurugram  
Date : 16 June 2021

**ANNEXURE D**  
**VALUATION REPORTS OF THE TARGET ASSETS**



## **VALUATION REPORT**

### **Portfolio of assets owned by Kairos Property Managers Private Limited, Powai, Mumbai**

Date of Valuation: 31<sup>st</sup> March 2023

Date of Report: 16<sup>th</sup> May 2023

**Submitted to:**

**Instruction Party: Brookprop Management Services Private Limited**



## **Disclaimer**

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT" or "REIT") and / or its associates and its unitholders for the proposed Acquisition ("Acquisition"). Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Brookfield India REIT may share the report with its appointed advisors for any statutory or reporting requirements or include it in stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document/any publicity material / research reports / presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the properties by Brookfield India REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 23 December 2022 without the prior written consent of the Valuer.*

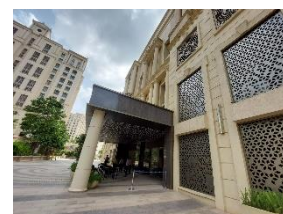
*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23 December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

**Executive Summary**

<b>Portfolio of properties owned by Kairos Property Managers Private Limited located in Powai</b>	
<b>Valuation Date:</b>	31 March 2023
<b>Site Visit Date:</b>	11 April 2023
<b>Valuation Methodology :</b>	10 Year Discounted Cash Flow
<b>Valuation Purpose:</b>	Disclosure of valuation of asset to be formed as a part of portfolio of Brookfield India in accordance with the SEBI (REIT) Regulations, 2014
<b>Location / Situation:</b>	<p>Portfolio of properties owned by Kairos Property Managers Private Limited (“KPMPL”) are located in Hiranandani Gardens, Powai (herein after referred to as Subject Properties). The subject properties comprising of IT/ITeS and Commercial buildings. The Andheri &amp; Powai micro-market is bounded by Powai Lake to its north, Andheri to its west, Ghatkopar and Vidya Vihar to its south and Vikhroli and Kanjurmarg to its east.</p> <p>This micro-market enjoys good road connectivity via Jogeshwari-Vikhroli Link Road (JVLR), Chandivali Road and Hiranandani Link Road. Prima Bay, Chromium, Godrej IT Park, Godrej One are some of the prominent office developments located in the Andheri &amp; Powai micro-market.</p>
<b>Description:</b>	<p>The subject properties comprise of nine completed and operational buildings with two additional floor in Ventura A being under-construction. The listing of buildings under each component are as follows:</p> <p>Completed buildings with Occupancy Certificates (OC) – Alpha, Delphi, Fairmont, Winchester, Prudential, Spectra, One Boulevard &amp; Ventura A, CRISIL House.</p> <p>The operational buildings collectively admeasure 2,654,828 sq. ft. of leasable area with 89.3% committed occupancy* and are located on individual plots of land cumulatively measuring 19.95 Acres</p> <p>The under-construction floor of Ventura A (1<sup>st</sup> &amp; 10<sup>th</sup> Floor) has a leasable area of 74,668 sq. ft., which is indicative and is subject to change once the internal business plans are in place or the construction is completed. It is expected to be ready by Q2 FY 2023-24. Amended Plan Approval received from MCGM on 28 October 2021.</p>
<b>Total Area:</b>	<p>Cumulative underlying Land Area: 19.95 Acres</p> <p>Completed Leasable Area of Completed Buildings**: 2,654,828 sq. ft.</p> <p>Under Construction Leasable Area: 74,668 sq. ft.</p> <p>Total Leasable Area**: 2,729,496 sq. ft.</p>



Source: Architect’s Certificate (Yet to be received), \*Rent Roll as on 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information  
 \*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area.



*\*\* Completed Leasable Area and Total Leasable Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq Ft) and Towers (cumulatively admeasuring 25 Sq Ft). Of this, the income from the leased areas are included in the "Other Income".*

*Under Construction Area includes Part of 1<sup>st</sup> & 10<sup>th</sup> floor of Ventura A*

### MARKET VALUE OF THE SUBJECT PROPERTIES BASED ON

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which he has no knowledge, the opinion of value of the aforementioned Subject Properties comprising land and improvements thereon and the right to provide facility management services to the Subject properties, as on 31 March 2023, is as follows:

Building Name	Market Value (INR Million)
Alpha	2,822
CRISIL House	5,504
Delphi	9,625
Fairmont	6,440
Winchester	16,553
Prudential	6,384
Spectra	4,378
One Boulevard	3,601
Ventura A (Completed) *	12,001
Ventura A (Under Construction portion) *	1,707
<b>Total Market Value</b>	<b>69,015</b>

*\*Note: Refurbishment works on the 1<sup>st</sup> Floor (Part; 18,322 sq. ft. leasable area) of Ventura A has been completed and approvals from relevant authorities are pending. Hence, for the purpose of valuation, we have considered same WACC rate of 11.75%, as that of the operational portion of Ventura A. Ventura A (Under Construction) represents the under-construction 10<sup>th</sup> floor and the 1<sup>st</sup> floor (part)*

Component	Market Value as on	In Figures	In Words
Completed Buildings	31 March 2023	INR 67,308 Million	Indian Rupees Sixty-Seven Billion Three Hundred and Eight Million Only
Under construction	31 March 2023	INR 1,707 Million	Indian Rupees One Billion Seven Hundred and Seven Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report



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**From: L. Anuradha  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)**

**To: Brookfield India Real Estate Trust**

**Property: Portfolio of Properties owned by Kairos Property  
Managers Private Limited, Powai, Mumbai**

**Report Date: 17<sup>th</sup> May 2023**

**Valuation Date: 31<sup>st</sup> March 2023**

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “REIT” or the “Client”)** has appointed L. Anuradha, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred to as the “Valuer”), in order to undertake the valuation of office properties located in Mumbai (hereinafter referred to as “Subject Properties”) for the proposed acquisition of the properties under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The properties and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 8 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L Anuradha is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Properties/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Properties in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Properties being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

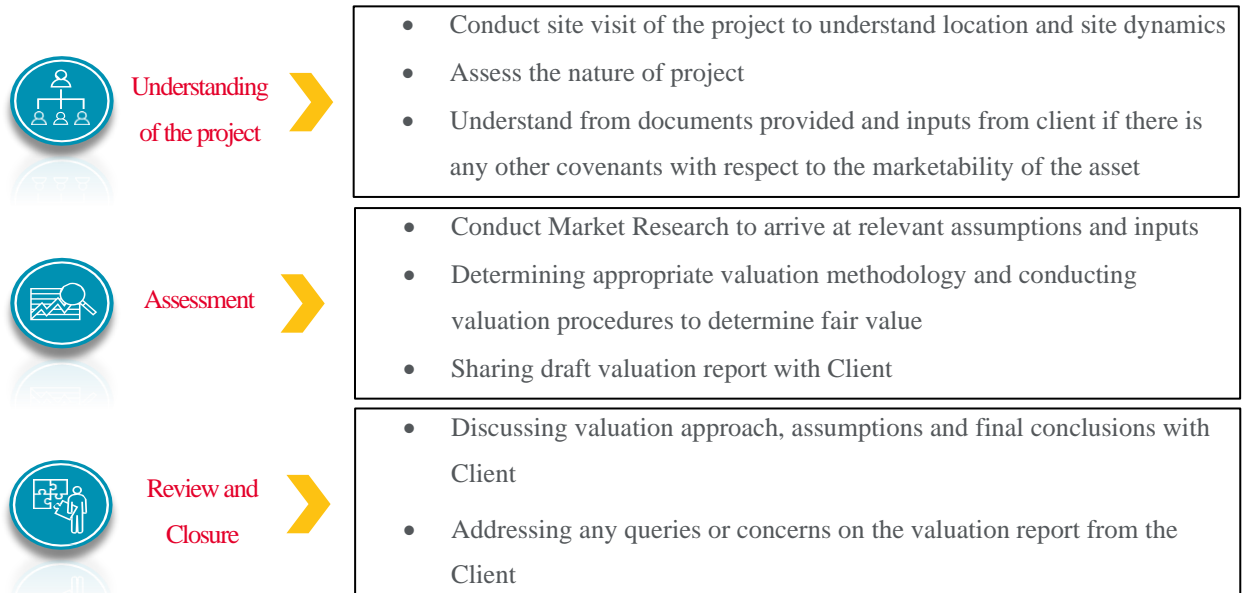
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations issued by the Securities and Exchange Board of India ("SEBI") or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to the Acquisition, including any preliminary or final international offering documents for distribution to investors outside India, and any publicity material, research reports, presentations or press releases, in connection with the Acquisition (collectively, the "Documents").

### **5 Basis of Valuation**

It is understood that the valuation is required by the Client of the Subject Properties which is proposed to be acquired ("Proposed Acquisition") by Brookfield India REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purposes. Accordingly, the valuation exercise has been carried out to estimate the "Market Value" of the Subject Properties in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, effective from 31 January 2022.

Market Value” is defined as ‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’

## 6 Valuation Approach & Methodology



The basis of valuation for the subject properties being Market Value, the same may be derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

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

***For the purpose of valuation of the Subject Properties, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.***

## 7 Assumptions, Departures and Reservations

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



## **8 Inspection**

The Properties were inspected on 11 April 2023 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the properties has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Properties herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, proposed to be forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets proposed to be forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by her due to such usage other than for the Acquisition as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in his favor, reasonably satisfactory to her for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover



any losses resulting from the use of the Report for the Acquisition including disclosure in the Documents and in the valuation report.

## **12 Reliant Parties**

The reliance on the valuation reports prepared as part of this engagement is extended to **Brookprop Management Services Private Limited ("Brookprop" or "The Manager")**, the **Brookfield India Real Estate Trust ("Brookfield REIT")** and their unit holders and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The auditors, debenture trustees, stock exchanges, unit holders of the REIT, **Securities and Exchange Board of India (SEBI)**, and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

## **13 Limitation of Liability**

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in this Agreement, the Valuer's total aggregate liability to the Manager arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the total fees paid to Valuer by Client hereunder.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT, the intermediaries appointed in connection with the Acquisition be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by him while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against him in this regard

## **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.



## **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under this Agreement including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case she is insisted upon or asserted by the Client to violate any of the above said undertakings in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate this Agreement without any liability or obligation on his part.

Such termination of this Agreement shall not in any way prejudice the rights and obligations (including payment for the services delivered under this Agreement) already accrued to the Valuer, prior to such termination.



## **B Mumbai Region Overview**





For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman & Wakefield India Private Limited (CWI), who has been appointed by the Client as an independent consultant to carry out industry and market report.

## 1 Mumbai Region Overview

Mumbai is India's financial and commercial capital. The presence of vibrant capital and money markets makes the city the first choice of entry for financial services firms. Mumbai houses the headquarters of major corporates & financial institutions such as ICICI Bank, HDFC Bank, Life Insurance Corporation of India, etc. India's main stock exchanges & capital market and commodity exchanges (National Stock Exchange – NSE, Bombay Stock Exchange – BSE and Multi Commodity Exchange – MCX) are also located in Mumbai. It is also home to Bollywood, the Indian Television and Film Industry.

The map below highlights the key office micro markets of MMR region illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in MMR.



Source: C&WI Research  
(Map not to scale)



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

- **Financial capital and Services hub:** Mumbai, which is referred as India's financial capital, houses corporate head offices of many Indian banks such as ICICI Bank, HDFC Bank, etc. and stock exchanges such as, NSE, BSE etc. It is also home to global consultancy firms, legal and professional services, media houses, accounting professionals, etc. like Boston Consulting Group, HDFC Bank, EY, Johnson & Johnson, Warburg Pincus, Hindustan Unilever, Nestle, McKinsey & Company, Procter & Gamble, BNP Paribas.
- **Global In-house Centers/ Global Capability Centers:** Mumbai is a hub for Global In-house Centers (GICs) / Capability Centers (GCCs) of many Investment Banks mainly from the North American and European markets such as Deutsche Bank, Bank of America, JP Morgan, etc.
- **Social Infrastructure:** Mumbai has established educational institutions and colleges (IIT-Bombay, NMIMS, SP Jain, NIFT etc.), Malls (Phoenix Palladium, High Street Phoenix, R City, Oberoi Mall, Inorbit Mall, etc.), Hospitals (Lilavati, Hiranandani, Fortis, Tata Memorial Hospital, Jaslok Hospital, etc.) and hotels (St. Regis, Renaissance, JW Marriott, Hilton, Four Seasons, ITC Maratha, Leela etc.).
- **Transport infrastructure:** Mumbai is well connected via road with availability of infrastructure like the Eastern Express Highway, Western Express Highway, Eastern Free Way, Bandra-Worli Sea Link, etc. It also provides good railway connectivity with three railway lines, an operational metro line across 390 km carrying 8 million passengers daily and a monorail line. Mumbai is also well connected via air with other cities in India and other global cities with the help of 2 operational passenger terminals (Domestic and International) and one cargo terminal at Chhatrapati Shivaji Maharaj International Airport. Mumbai is the gateway city of India with 2nd busiest airport (Chhatrapati Shivaji Maharaj International Airport having 45.87 million passengers in FY20 connecting to 61 domestic and 48 international destinations). Mumbai Region also has the largest container port of India (Jawaharlal Nehru Port Trust with 68.45 million tons of cargo in FY20).
- **Ongoing/Planned infrastructure projects:** Key initiatives include USD 12 billion of proposed investment from 2019-24 for the Navi Mumbai International Airport (expected to be completed by 2024 with a capacity of 60 million passengers per annum), various road projects (including The 29.80 km Mumbai Coastal Road Project (MCRP) is an under-construction access-controlled expressway with a route connecting Princess Street Flyover in South Bombay with Kandivali in the northern suburbs. The 8-lane freeway, with 2-lanes reserved for BRTS corridor, will have 22 entries and exits, two earthquake resistant undersea tunnels of 3.4 km each at Girgaum Chowpaty and Malabar Hill, and 13 cross tunnels to be used for emergency).



The table below highlight the key statistics of Mumbai's office micro markets

Particulars	Mumbai -Overall	CBD	**Andh eri and Powai	Thane Belapur Rd	Malad – Goregaon	Worli – Lower Parel	BKC & Annexe	Thane	Central Suburbs	Eastern Suburbs	Vashi & Others	Competitive REIT Micro-Markets^
<b>Total completed stock Q1 2023 (msf)</b>	104.80	2.08	20.86	17.14	14.78	13.42	10.55	10.36	5.69	6.06	3.86	17.03
<b>Current occupied stock Q1 2023 (msf)</b>	83.34	1.86	18.14	13.12	12.63	8.06	8.99	9.20	4.03	4.86	2.46	14.86
<b>Current Vacancy Q1 2023 (%)</b>	20.5%	10.4%	13.0%	23.5%	14.6%	39.9%	14.8%	11.2%	29.2%	19.9%	36.3%	12.7%
<b>Avg. Annual Absorption – 2015 – Q1 2023 (msf)</b>	3.80	0.00	0.51	0.74	0.55	0.19	0.46	0.71	0.30	0.19	0.16	0.63
<b>Future Supply – 2023F – 2025F (msf)</b>	16.25	0.00	5.47	3.37	1.80	2.14	0.26	2.00	0.69	0.00	0.50	4.95
<b>Market Rent – Q1 2023 (INR psf / month)</b>	137.41	231.59	136.22	62.39	124.86	190.54	274.62	71.75	137.74	136.82	91.51	*167.23

Source: Cushman & Wakefield Research

Notes: The rentals are in INR psf / month on leasable area, the rentals are basis the prevailing quotes in the micro market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

\* Average incorporating the quoted rentals for high street retail.

\*\*Subject Properties Micro-Market

^ A Competitive REIT micro-market consists of comparable set of buildings (peer set to properties in powai submarket) to powai submarket in micro markets of Andheri & Powai, Malad & Goregaon and Eastern Suburbs. The peer set considered is based on parameters such as size of the parks, floor plates, tenant profile, proximity to catchment area, infrastructure and certain additional criteria



## 2 Brookfield India REIT's City Market – Mumbai

Portfolio of properties owned by Kairos Property Managers Private Limited (“KPMPL or Kairos”) which are valued for the proposed acquisition under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange, has the following assets in Mumbai.

Building Name	Location	Building Type	Leasable Area (sq. ft.)
Alpha	Powai	Commercial	1,09,463
CRISIL House	Powai	IT	2,11,611
Delphi	Powai	Commercial	3,49,629
Fairmont	Powai	IT	2,84,459
Winchester	Powai	IT	7,45,822
Prudential	Powai	IT	2,34,229
Spectra	Powai	IT	1,93,649
One Boulevard	Powai	Commercial	1,06,133
Ventura A	Powai	IT	4,19,833
Ventura A (Under Construction)	Powai	Retail/Commercial	74,668
<b>Total</b>			<b>2,729,496</b>

Note:

1. Ventura A – Under construction includes expansion on the 10<sup>th</sup> floor & 1<sup>st</sup> floor (part).

2. Leasable Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq Ft) and Towers (cumulatively admeasuring 25 Sq Ft). Of this, the income from the leased areas are included in the “Other Income”.

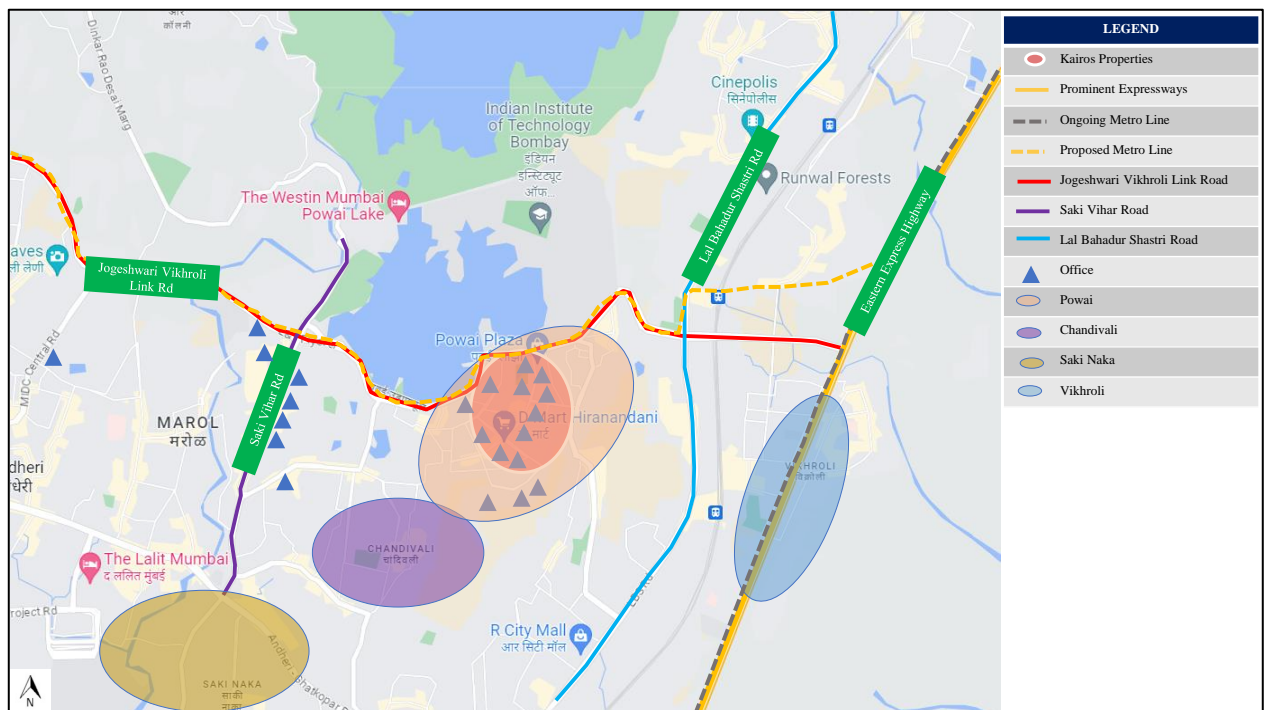
The subject properties are well positioned in the micro-market due to their proximity to well-developed social infrastructure and the upcoming metro stations (Metro Line 6 (Swami Samarth Nagar – Kanjurmarg)) (IIT - ~2 – 3 km from the Subject Properties) which is a key differentiating factor, given an increasing focus by corporate occupiers on the ease of commute for their employees. The office park is situated within Hiranandani Gardens, Powai, a modern township comprising residential towers, office complexes, hospitals, schools and high street retail. This ‘live-work-play’ ecosystem has grown to become a key differentiating factor for the office park, driven by an increasing focus by corporate occupiers on lifestyle solutions for their employees.

The subject properties are located in Andheri and Powai micro market, which is one of the established commercial precincts in Mumbai with well-planned infrastructure and proximity to residential areas. Demand for office space in this micro-market has significantly increased over the last few years due to larger properties, improving infrastructure, availability of quality residences and excellent connectivity to other parts of Mumbai. The subject properties will further benefit through improved intra-city transportation links resulting from the ongoing metro construction in both east-west and north-south corridors.

## 2.1 Overview

Andheri & Powai are suburbs of Mumbai city situated in northern part of Mumbai. Andheri & Powai micro-market is one of the most established commercial precincts in the suburban region of Mumbai. There are several commercial establishments and several high-end residential projects located in this micro market. The micro market is an established office hub having office of various national and multinational companies. It also has several high-end residential projects by renowned developers like Hiranandani Developers, Omkar Realtors, Kanakia group, Mahindra Lifespaces, etc.

Additionally, R-City mall, Haiko mall, and Infiniti Mall located in and around the micro market are some of the established and leading retail malls that witnesses significant footfalls. The micro market has good social infrastructure with the presence of restaurants, multiplexes, schools, hospitals and colleges. The micro market is well connected to major parts of Mumbai by both railways and roadways. Connectivity to the eastern suburbs is via Jogeshwari – Vikhroli Link Road (JVLR) while S V Road and Western Express Highway provides easy accessibility to western suburbs and South Mumbai. The JVLR has improved connectivity of Powai with Western Express Highway while Lal Bahadur Shastri (LBS) Marg offers connectivity to eastern suburbs of Vikhroli, Kanjurmarg and Bhandup. The micro market is well connected to both Mumbai and Navi Mumbai via Western Railway line, Central and Harbour railway line, with trains at regular intervals. Also, presence of operational Metro Line 1, which connects Andheri to Ghatkopar enhances east-west connectivity of the micro-market. Proximity to both domestic and international airport also makes the commute easier for business travellers.



Source: C&WI Research

(Map not to scale)



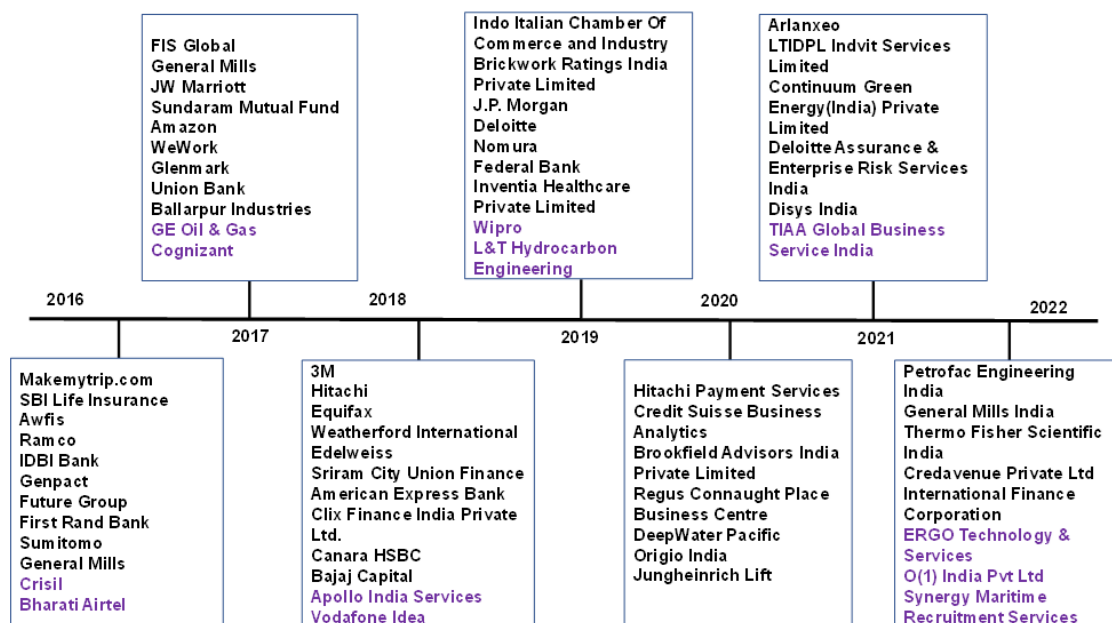
Upcoming infrastructure developments like Mumbai Metro Line 3, Line 4 and Line 6 will further smoothen the road traffic in this micro-market.

The increase in rental values of office space in South Mumbai and other micro markets coupled with shortage of availability of quality office space in the city has led companies to look for alternative options in suburban micro-markets such as Andheri & Powai, Malad – Goregaon, etc.

The demand for office space in this micro-market has increased over the past few years as the assets are located among the best performing micro markets are distinguished by scale and infrastructure and driven by proximity to talent pool catchment areas, proximity to residential projects and better connectivity as compared to other parts of the city.

Some of the prominent office developments in the vicinity are Supreme Business Park, Scorpio House, L&T Business Park, Delphi, Godrej IT Park, Solitaire Corporate Park, Kanakia Wall Street, Times Square, Raiaskaran Tech Park etc. Prominent corporates such as JP Morgan, Deutsche Bank, Crisil, Deloitte, Nomura, Morgan Stanley, JM Financial, TCS, Balmer Lawrie and Co. Ltd., Federal Bank, Fullerton etc. are located in this micro market. Further, companies such as Hindustan Unilever Limited, Glenmark and Crisil have their corporate headquarters located in this micro market.

**Few of the prominent tenants who have presence in the subject micro market are:**



Source: Cushman & Wakefield

Note: The occupiers highlighted with different color are occupying space in subject properties.

The Subject Properties are located in Andheri & Powai micro market. This micro market in close proximity to talent pool catchment area and also has good accessibility and connectivity with the major hubs and transport modes. Further Kairos assets are Grade A assets with developed office ecosystem and caters to multinational tenants.

The average quoted monthly Grade A rentals for office space in subject micro market ranges from INR 130-170 psf / month for commercial and INR 120-150 psf / month for IT/ITES/IT SEZ and the typical lease tenure is 5 years with first 3 years as lock – in period.

\*Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters



## 2.2 Key Statistics – Andheri & Powai

Particulars	Details
<b>Total Completed Stock (Q1 2023)</b>	Approximately 20.86 million sq. ft.
<b>Current Occupied Stock (Q1 2023)</b>	Approximately 18.14 million sq. ft.
<b>Current Vacancy (Q1 2023)</b>	Approximately 13.0%
<b>Avg. Annual Net Absorption (2015 – Q1 2023)</b>	Approximately 0.51 million sq. ft.
<b>Future Supply (2023 E – 2025 E)</b>	2023E: Approximately 0.75 million sq. ft. 2024E: Approximately 1.15 million sq. ft. 2025E: Approximately 1.35 million sq. ft.

Source: Cushman & Wakefield Research

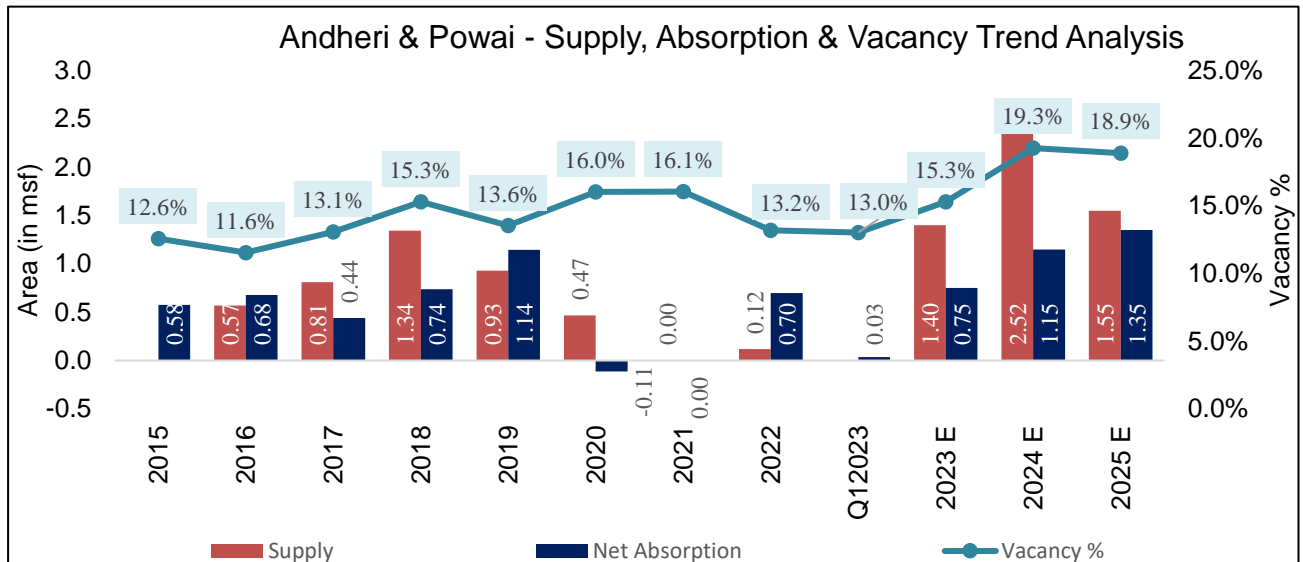
Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. The future supply estimates are based on analysis of proposed and under construction buildings.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.



### 2.3 Supply, Absorption & Vacancy

The supply, absorption & vacancy trend for Andheri & Powai is as follows:



Source: Cushman & Wakefield Research

Notes:

1. Only Grade A office spaces have been considered
2. Only Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trends
3. The Net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.

Office space demand in Andheri & Powai micro market has remained strong over the years owing to demand from Global Capability Centers (GCC) and professional services companies. This micro market has gained increased traction owing to quality A grade developments, proximity to the talent catchment areas and larger floor plates. Brookfield group currently owns more than 4.0 million sq. ft. of grade-A office space in the micro-market, largest amongst the developers who own grade A office spaces in this micro market.

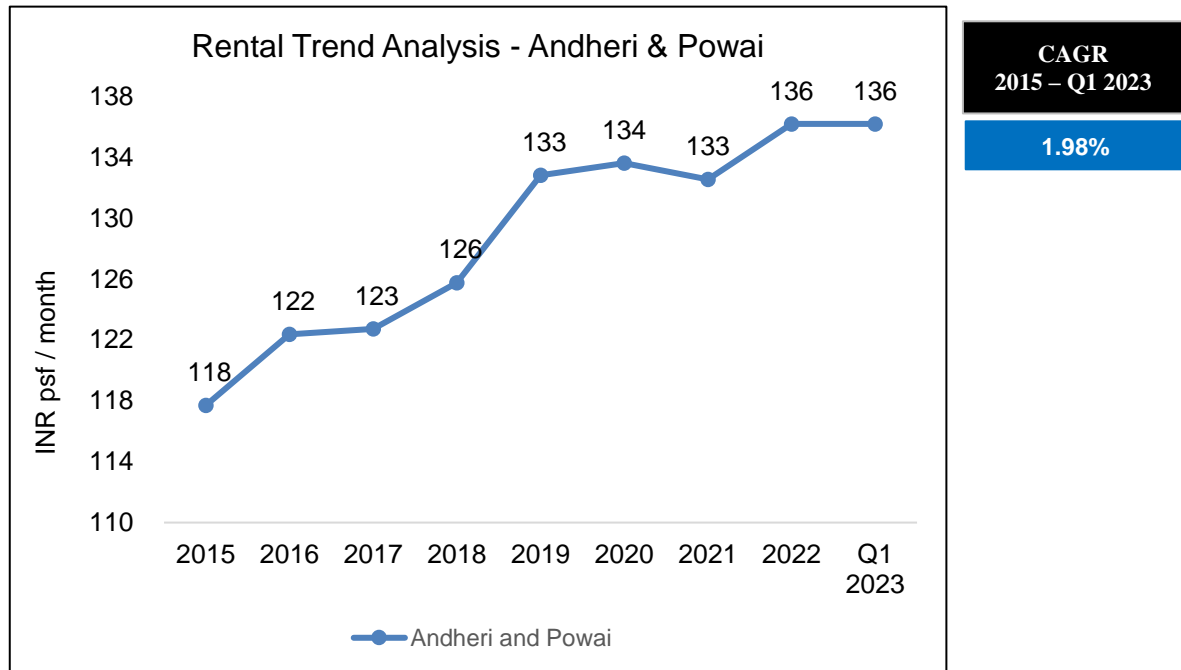
Vacancy has remained range-bound between 12%-15% over 2015-2019. Average annual absorption in the micro market stood at ~0.71 million sq. ft. over the same period. However, with the infusion of ~0.47 million sq. ft. of new supply in 2020 and comparatively weak fresh leasing activity over 2020-2021 resulted into vacancy increasing from 13.6% in 2019 to 16.1% in 2021. Further, 2.0 msf of new supply was delivered during 2022 and ~0.08 msf of stock was withdrawn during the quarter via outright purchase of three floors at Fulcrum by an American Footwear company. Andheri – Powai market have started to witness strong traction from 2022, and thereby vacancy declined to 13.0% by Q1 2023.

Further, future supply of ~5.47 million sq. ft. is expected to be delivered in this micro-market over 2023 E – 2025 E. We expect the market to foresee a surge in the upcoming supply, thereby, vacancy is expected increase to 18.9% by 2025 E.



## 2.4 Rental Trend Analysis

The rental trend for Andheri & Powai is as follows:



Source: Cushman & Wakefield Research

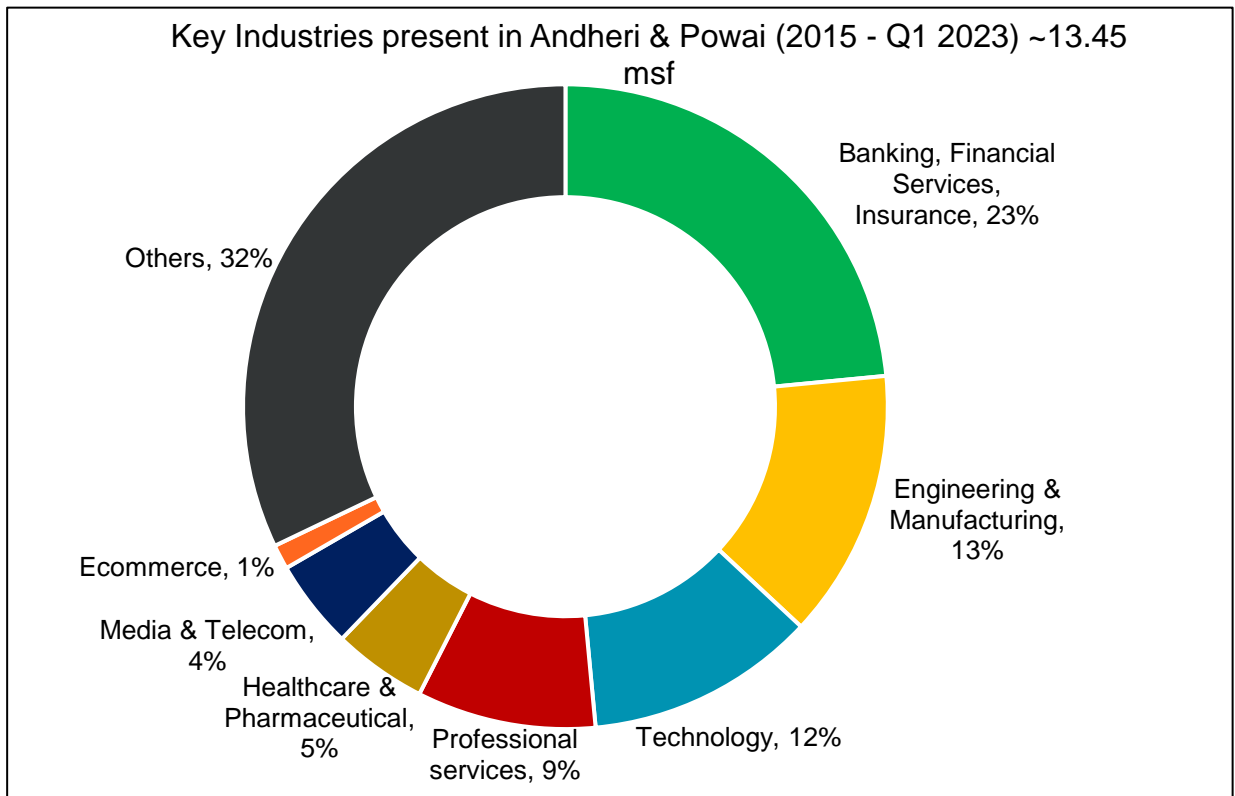
Notes:

The rentals are basis the prevailing quotes in the micro market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Due to increasing traction in the Andheri & Powai micro market, the rentals in this micro market have witnessed an increasing trend over 2015 – 2019, growing at CAGR of 3.04% over the same period. 2020 – 2021 was mostly impacted due to the pandemic, rentals have remained broadly stable post 2019. There has been a recovery in rentals post covid micro market has witnessed a CAGR growth of 1.80% during 2021 – Q1 2023. The current quoted office market rentals varies in range of INR 130-170 psf / month for commercial and INR 120-150 psf / month for IT/ITES/IT SEZ.



**2.5 Sectoral Demand Analysis – Andheri & Powai (2015 – Q1 2023)**



Source: Cushman & Wakefield Research

Notes:

Others include tenants involved in hospitality, logistics & shipping, FMCG, retail, real estate & related services, etc. The sectoral absorption analysis is based on gross absorption activity of micro market including any relocations, consolidations etc

Andheri & Powai micro market is one of the biggest micro markets having large concentration of BFSI tenants. This is primarily due to availability of premium grade A developments, enhanced connectivity, proximity to talent pool catchment areas etc. Occupiers from BFSI sector contributed to 23% of leasing activity in Andheri & Powai micro market followed by Engineering & Manufacturing which contributed 13% to the leasing activity. Technology tenants such as STT Global Data Centers India Pvt Ltd and FIS Global have also leased spaces in this micro market thereby making Technology sector the third most dominant sector in this micro market. The mix of foreign vs. domestic occupants in Andheri & Powai micro market is 65:35.

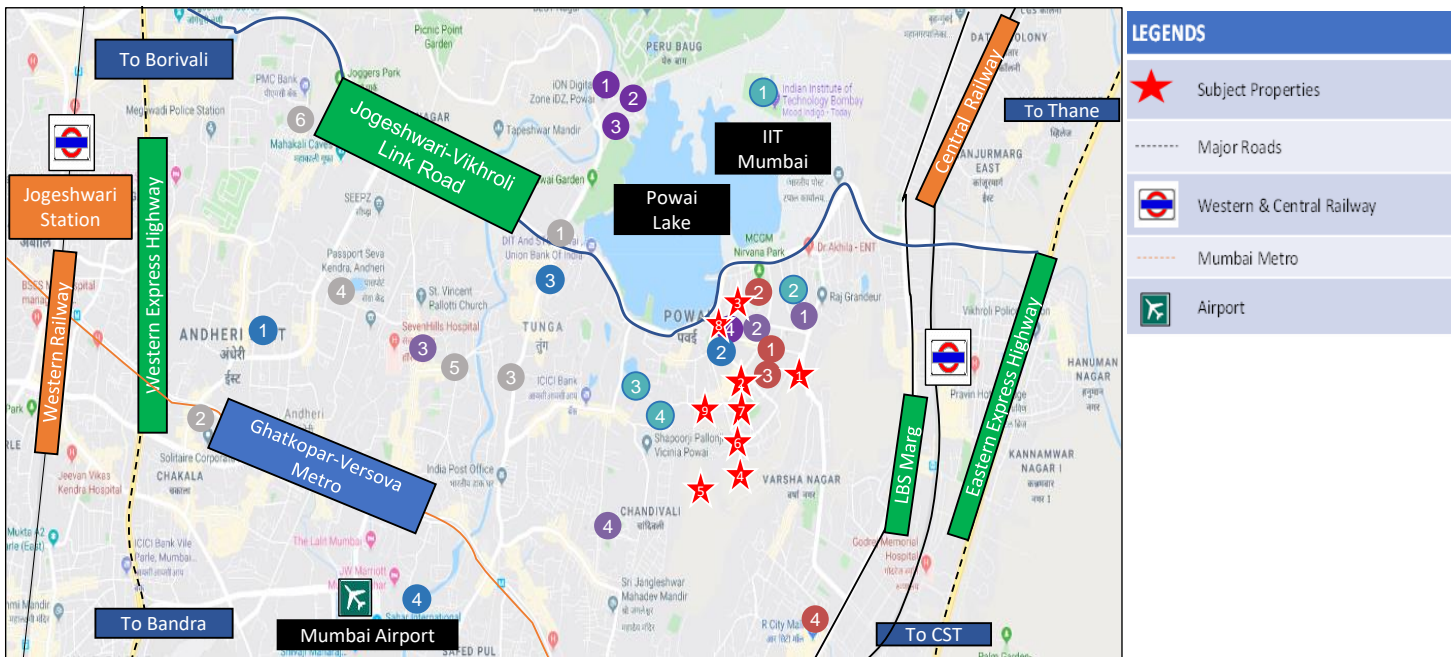


### **3 Competitive REIT Micro Market**

#### **3.1 Overview**

Subject Properties are Grade A assets with a developed office ecosystem with High Street Retail catering to multinational tenants and having bigger floor plates. Keeping in mind parameters such as proximity, tenant profile, grade of asset and certain additional criteria the peer set (properties comparable to the Powai Submarket) of the Powai Submarket is also present in two other micro markets viz. Malad Goregaon and Eastern Suburbs. Hence, the comparable set of office buildings (including IT / IT SEZ and Non-IT buildings) in Andheri & Powai, Malad Goregaon and Eastern suburbs micro markets are together referred as the competitive REIT micro market. The buildings in these micro markets are selected keeping in mind parameters such as size of the parks, floor plates, tenant profile, proximity to catchment area, infrastructure and certain additional criteria.

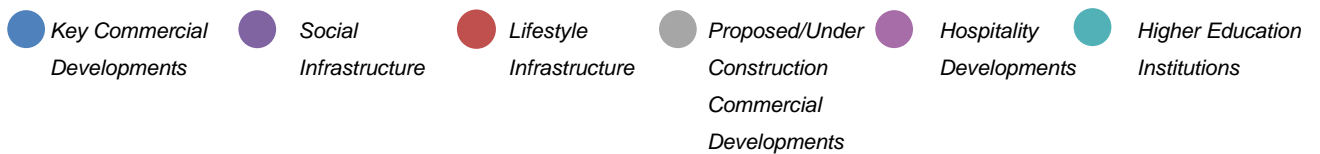
**3.2 Social and Physical Infrastructure**



(Map not to scale)

**Key to Map**

Sr. No.	Building Name
1	Alpha
2	CRISIL House
3	Delphi
4	Fairmont
5	Winchester
6	Prudential
7	Spectra
8	One Boulevard
9	Ventura A





Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Kanakia Wall street (8.1 km)	1. Hiranandani Hospital (6.4 km)	1. Galleria (0.5 km)	1. Signis (3.7 km)	1. Ramada Plaza (3.9 km)	1. IIT Powai (1.6 km)
2. Supreme Business Park (0.7 km)	2 Hiranandani School (0.5 km)	2. Binge Central (0.8 km)	2. Runwal R-Square (13.0 km)	2. Renaissance Hotel (3.8 km)	2. IBS Business School (1.2 km)
3. Prima Bay (3.1 km)	3. Sevenhills Hospital (5.5 km)	3. Haiko (0.6 km)	3. Lighthall Annexe (3.9 km)	3. Lakeside Chalet (3.4 km)	3. Chandrabhan Sharma College (1.0 km)
4. The ORB (5.0 km)	4. Nahar International School (2.5 km)	4. R-City Mall (3.3 km)	4. 2 <sup>nd</sup> Avenue (5.7 km)	4. Meluha- The Fern (0.7 km)	4. S.M. Shetty College (0.5 km)
			5. NDW Altima (4.0 km)		
			6. Nexus 10 (4.9 km)		

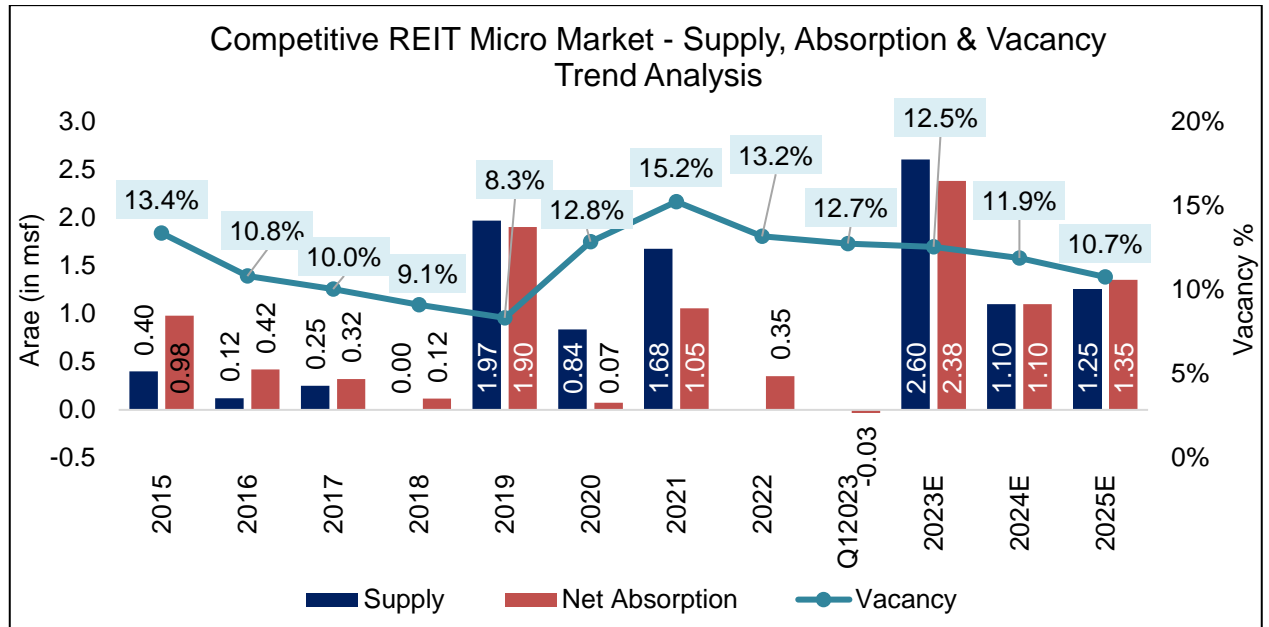
The subject micro market is connected to Jogeshwari-Vikhroli Link Road (JVLR) which further connects the Western & Eastern Express Highway on either side. It is also easily accessible from LBS Road via Vikhroli. Kanjurmarg Railway Station is the nearest railway station from the Subject Properties. Metro Line-6, in between Swami Samarth Nagar to Vikhroli (EEH) has been proposed to provide further inputs in the infrastructure of Greater Mumbai. Proposed Metro line is 15.31 Km in length & running from Swami Samarth Nagar to Vikhroli (EEH) passing through Jogeshwari, WEH, Powai. This line is fully elevated and it connects Western Express & Eastern Express Highways. It gives interchange facilities at Aadarsh Nagar of Line-2A, JVLR station of Line-7, Aaray Depot station of Line-3 and Gandhi Nagar of Line-4 at different locations. It has 13 stations and most of the alignment is passing on the median of Jogeshwari-Vikhroli link road. It will cut travel time between Andheri and Eastern Express Highway by 30-45 minutes. Metro Line 3 is under construction whereas Metro Lines 2A & 7 are operational

The Subject Properties are well connected to major locations In the city via road network. The distance of the Subject Properties from major landmarks in the city is as follows:

- Approximately 10.9 km from Western Express Highway
- Approximately 9.2 km from Eastern Express Highway
- Approximately 3.4 kms from LBS Marg
- Approximately 1.6 kms from IIT Powai
- Approximately 3.2 kms from Kanjurmarg Railway Station
- Approximately 6.2 km from Chhatrapati Shivaji International Airport
- Approximately 9.4 kms from Domestic Airport

### 3.3 Supply, Absorption & Vacancy – Competitive REIT Micro Market

The supply, absorption vacancy trend analysis for Competitive REIT Micro Market are as follows:



Source: Cushman & Wakefield Research

Notes:

1. Only Grade A office spaces have been considered
2. Only Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trends
3. The Net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.

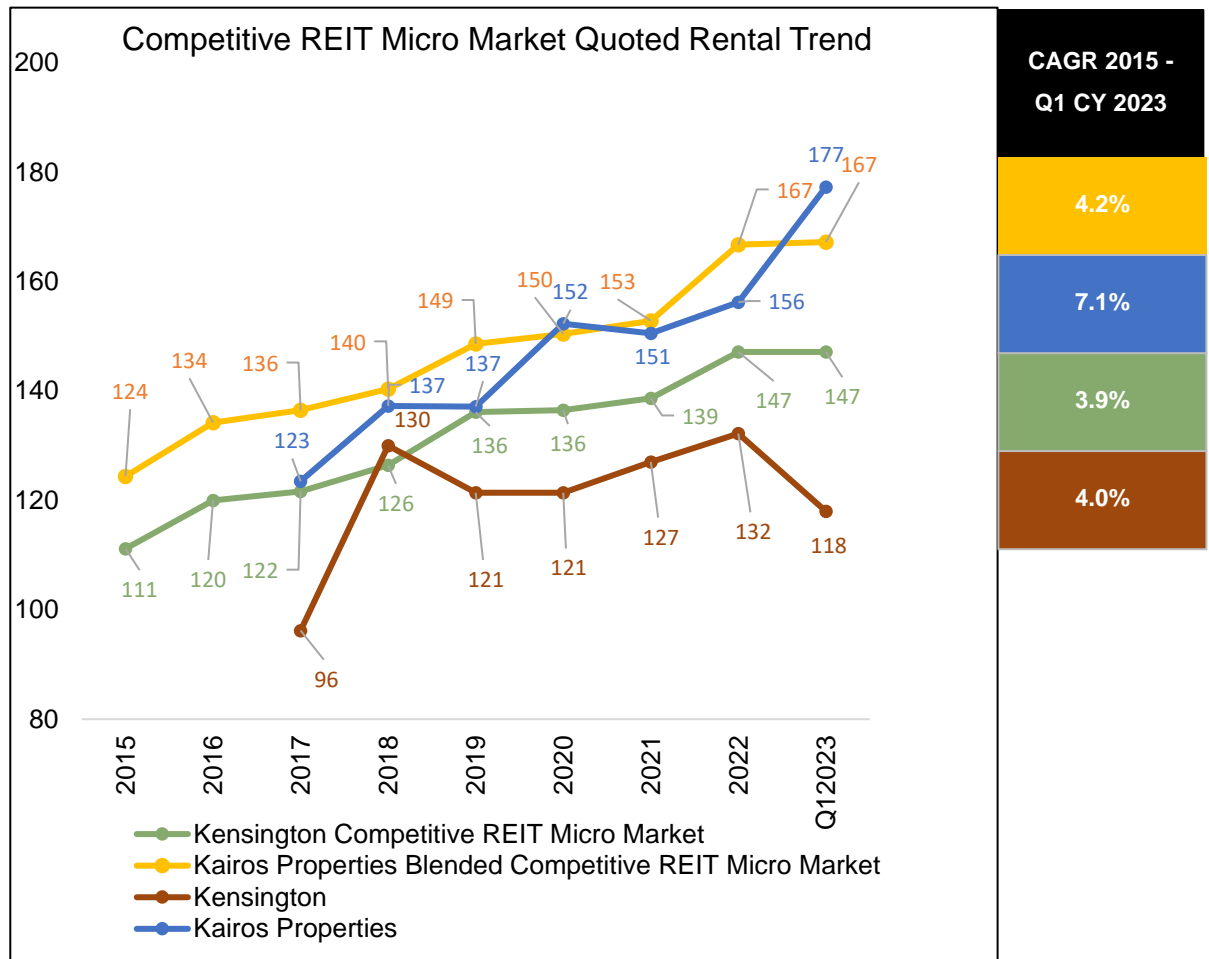
As of Q1 2023, approximately 17.03 million sq. ft. of Grade A stock is present in the Competitive REIT Micro Market of which ~75.74% (12.90 million sq. ft.) is IT/IT SEZ stock. Absorption in Competitive REIT Micro Market led by BFSI and Technology tenants consistently outpaced the total supply leading to declining vacancy levels from 13.4% in 2015 to 8.3% in 2019. However, due to the outbreak of COVID-19, net absorption in the Competitive REIT micro-market (apart from the 1.1 msf of pre-commitment at Nirlon Knowledge Park being translated into absorption) remained broadly muted during 2020-2021, vacancy levels increased to ~15.22% by 2021. The Competitive REIT micro-market has witnessed some signs of recovery post COVID. Vacancy level dropped to 12.7% in Q1 2023 from 15.2% in 2021.

Demand for office space in this micro-market over the years have been driven by presence of larger properties, improving infrastructure, availability of quality residences and excellent connectivity to other parts of Mumbai. The micro-market also attracts demand from large GCCs and professional services organizations, such as KPMG, JP Morgan, Deutsche bank, Morgan Stanley, Deloitte etc. both in technology and financial services sector for their expansion and consolidation.

Given low vacancy levels in the competitive REIT micro-market, continued strong demand for good quality buildings with strong landlord profile, we expect the vacancy to gradually reduce to 10.74% by 2025E.



### 3.4 Rental Trend Analysis



**Notes:**

- The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
- Rentals for Kairos Properties have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include fresh leases and renewals from existing tenants, adjusted to asset level efficiency. The rental CAGR for Kairos Properties depicted above, is from 2017 to Q1 2023.
- Rentals presented above are weighted average values on completed stock.

Considering the parameters such as proximity, tenant profile, grade of asset and certain other criteria, for Subject Properties, we have compared the Rentals for Subject Properties with the Kairos Properties Blended Competitive REIT micro-market (The rentals are blend of IT / IT SEZ, Non-IT and High Street Retail Rentals), which includes select buildings comparable to Subject Properties.

Due to increasing traction in Kairos Properties Blended Competitive micro market, the rentals in Kairos Properties Blended Competitive REIT micro market have witnessed an increasing trend since 2015, growing at a CAGR of 4.55% during 2015-2019. Despite the impacts from COVID-19 related pandemic, the quoted rentals in the micro-market have displayed significant resilience, rentals grew at a CAGR of 3.70% over 2019-Q1 2023. The current quoted office market rentals varies in range of INR 150-180 psf / month for commercial, INR 125-160 psf / month for IT/ITES/IT SEZ and INR 220 to 450 for high street retail.

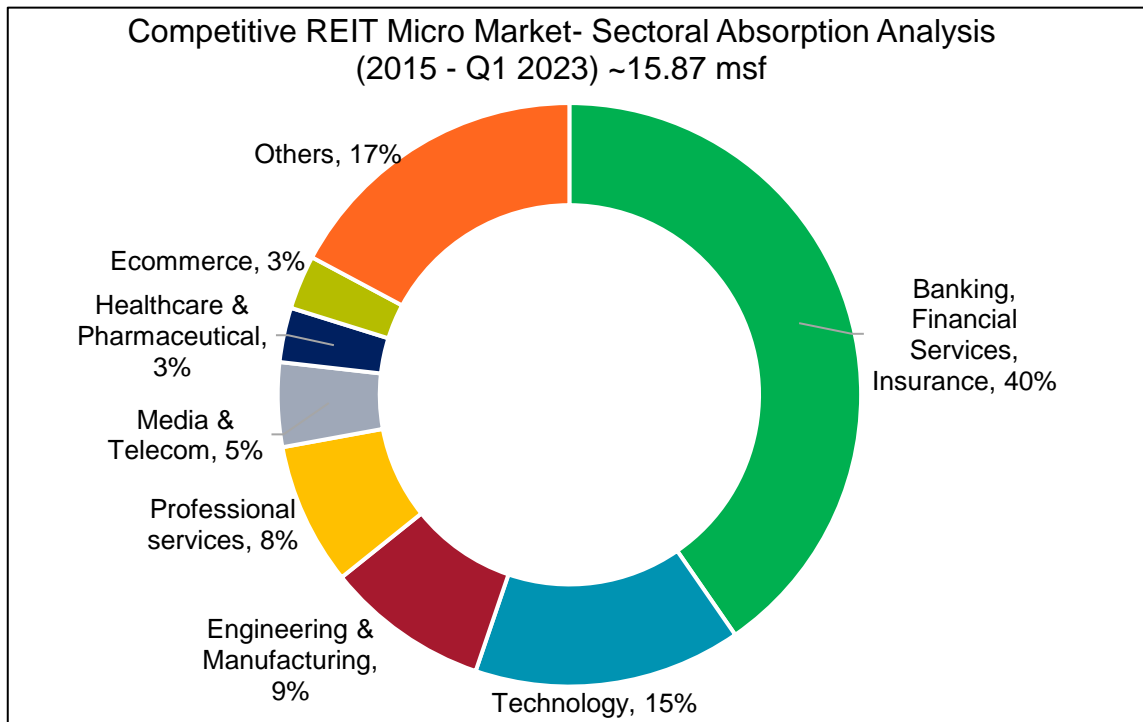


The subject properties are spread across three clusters within the Powai submarket, namely Central Avenue, South Avenue and Orchard Avenue. Characteristically,

- South Avenue comprises of IT/IT SEZ buildings which includes Fairmont and Winchester (which are IT buildings). Current quoted office market rental for the select properties within the competitive REIT micro-market, which are comparable to the subject properties in this cluster, is INR ~150 per sq. ft.
- Orchard Avenue comprises of a mix of commercial buildings with high-street retail units which includes Delphi and One Boulevard. Current quoted rental for the select properties within the blended competitive REIT micro-market, which are comparable to the subject properties in this cluster, varies in the range of INR 165-180 per sq. ft for commercial and INR 220-450 per sq. ft. for high street retail.
- Central Avenue comprises of a mix of IT and Non-IT buildings with some having high-street retail units which includes buildings like Ventura, Prudential, Alpha etc. Current quoted rental for the select properties within the blended competitive REIT micro-market, which are comparable to the subject properties in this cluster, varies in the range of INR 150-160 per sq ft for IT / ITeS, INR 165-180 per sq. ft for commercial and INR 220-450 per sq. ft. for high street retail (depending on the location and building the rentals will fall in the ranges mentioned above)



### 3.5 Sector Demand Analysis (2015 – Q1 2023)



Source: Cushman & Wakefield Research

Notes:

Others include tenants involved in hospitality, logistics & shipping, FMCG, retail, real estate & related services, etc. The sectoral absorption analysis is based on gross absorption activity of micro market including any relocations, consolidations etc

This competitive REIT micro market consists of quality grade-A buildings which are easily accessible due to presence of strong physical infrastructure. The micro-market has strong social infrastructure and has large concentration of BFSI tenants. This is primarily due to availability of premium grade A developments, enhanced connectivity due to presence of strong existing and upcoming physical infrastructure, proximity to talent pool catchment areas, presence of strong social infrastructure within the micro-market etc. Occupiers from BFSI sector such as Deutsche Bank, TIAA Global, Nomura, JP Morgan etc. contributed to 40.4% of leasing activity in Competitive REIT micro market. Technology sector which contributed 14.8% to the leasing activity is the second most dominant sector in this micro market with occupiers such as Tata Consultancy Services (TCS), Accenture, Wipro, Here Solutions etc. Engineering & Manufacturing and Professional services also contributed ~9.0% and ~7.9% to the leasing activity respectively. The mix of foreign vs. domestic occupants in Competitive REIT Micro Market is 75:25



#### **4 Market Outlook**

According to the market assessment report of Cushman & Wakefield current average market rentals of comparable properties in the Andheri & Powai and competitive REIT micro-market are in the range of INR 120-160 per sq. ft./m for IT/IteS/IT SEZ properties, INR 130-180 psf / month for commercial and INR 220 to 450 for high street retail which is broadly in line with the recent leases signed in the Subject Properties. Further over 2015-2019, during the pre-COVID period, the rentals in Subject Properties' competitive REIT micro market grew at a CAGR of ~4.55% and have displayed significant resilience during the COVID period, growing at a CAGR of ~3.70% over 2019- Q1 2023.

While Global economic growth has been witnessing major headwinds across varied sectors, Indian markets have displayed significant resilience to the global impacts. Over the recent years, several companies have made significant additions to their workforce, while not being aggressive on expansion of the office spaces (Some of the major companies include Google, Microsoft, Apple, Meta, TCS, Infosys, Wipro, HCL Tech and others). While several layoffs have been announced by some of these corporates at a global level, impact on their Indian operations is not as severe. Attrition rates for Indian IT majors have started witnessing some improvements.

Several organizations have been contemplating strategies with respect to the hybrid work models – flexible arrangement, allowing employees to combine onsite and offsite work as required. These organizations have started implementing return to office strategies for their employees to work from office for atleast 2-3 days in a week.

While there have been delays in decision making, driven by global headwinds, we expect the demand for offices spaces to remain strong, majorly driven by IT-BPM sector and GCCs. We expect strong tailwinds to the demand for office spaces, majorly driven by IT-BPM sector and GCCs.



## **C      PROPERTY REPORT**



## **1 Address, ownership and title details of Subject Properties**

Address:	Portfolio of properties owned by Kairos Property Managers Private Limited, Powai, Mumbai, Maharashtra 400076
Ownership & title details:	Land tenure: Freehold and Leasehold; the land and buildings thereupon are owned and controlled by Kairos Property Managers Private Limited

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Property Report – Part C, the Subject Properties are considered to possess a good and marketable title and are free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Report prepared by DSK Legal (hereinafter referred to as ‘Legal Counsel’). We have not checked and verified the title of the Subject Properties.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Properties or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigation relating to the Subject Properties or any compounding charges.

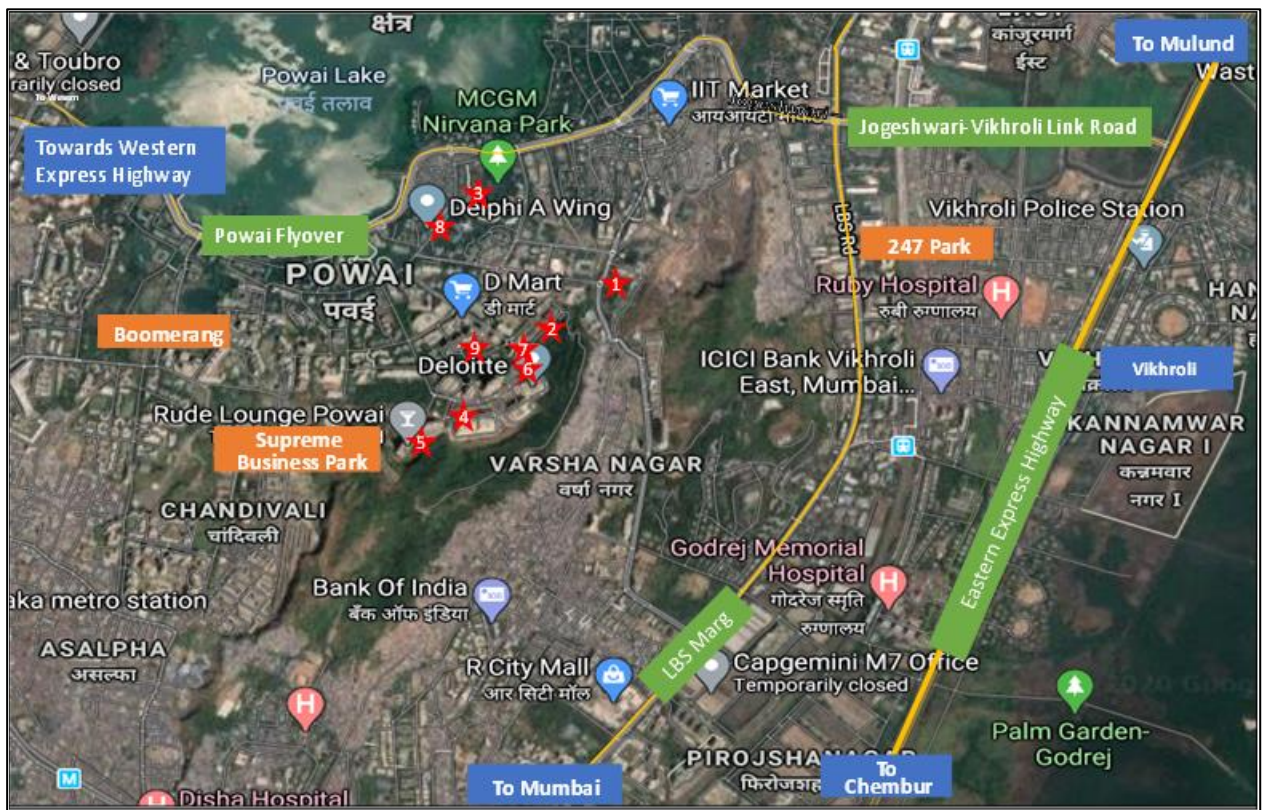
## 2 Location

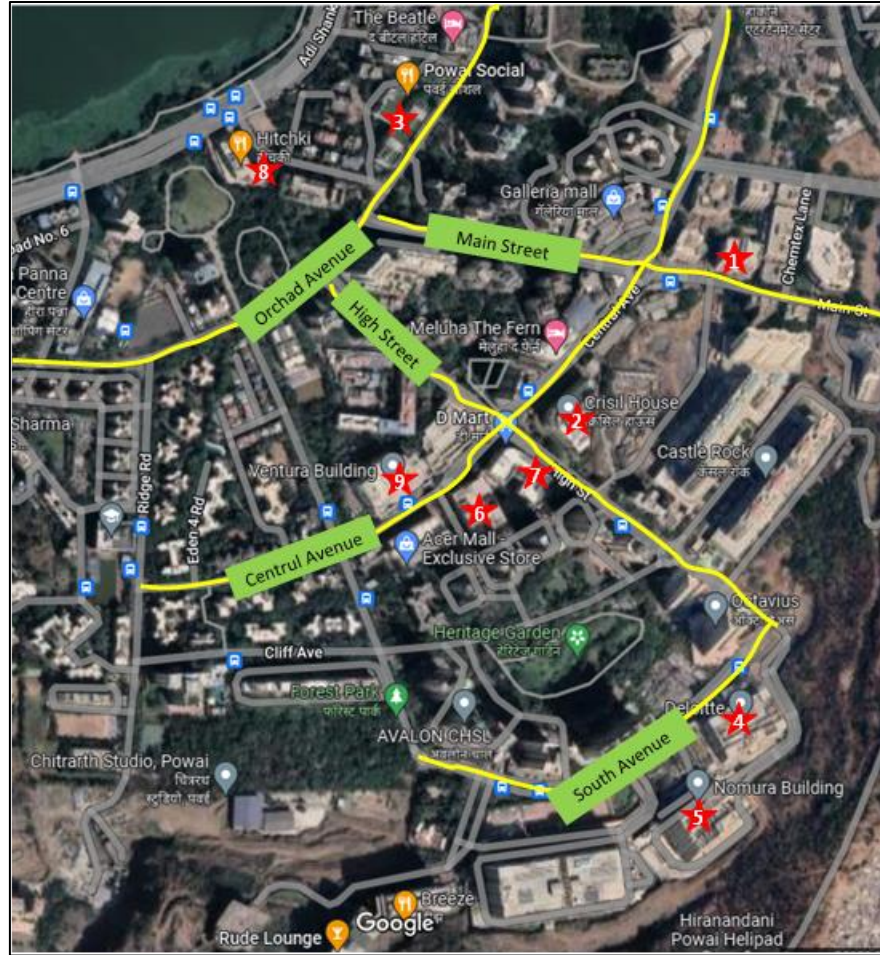
### 2.1 General

The Subject Properties are located at Andheri & Powai micro-market, which is bounded by Powai Lake to its north, Andheri to its west, Ghatkopar and Vidya Vihar to its south and Vikhroli and Kanjurmarg to its east. The micro-market enjoys good road connectivity via Jogeshwari-Vikhroli Link Road (JVLR), Chandivali Road and Hiranandani Link Road. The subject Properties are surrounded by residential projects developed by Hiranandani Group. Some of the prominent office developments in the vicinity are Supreme Business Park, Scorpio House, Prima Bay, Godrej IT Park, Solitaire Corporate Park, Kanakia Wall Street, Times Square, Raiaskaran Tech Park etc. It also houses prominent tenants such as Nomura, Deloitte, J P Morgan etc.

Subject properties are within close proximity to some of the renowned hotels like Meluha, The Fern and The Beatle and is also well connected to major locations in city via multiple modes of communication.

The site layout map of the Subject Properties is as follows:





Key to the map

Sr. No.	Building Name	Total Leasable Area Sq.ft.	KPMPL Leasable Area Sq.ft.	Strata Owned Leasable Area Sq.ft.
1	Alpha	1,43,248	1,09,463	33,785
2	CRISIL House	2,11,611	2,11,611	-
3	Delphi	4,39,069	3,49,629	89,440
4	Fairmont	2,84,459	2,84,459	-
5	Winchester	7,45,822	7,45,822	-
6	Prudential	2,34,229	2,34,229	-
7	Spectra	2,16,304	1,93,649	22,655
8	One Boulevard	1,06,133	1,06,133	-
9	Ventura A	494,501	494,501	-

Note: Leasable Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq Ft) and Towers (cumulatively admeasuring 25 Sq Ft). Of this, the income from the leased areas are included in the "Other Income".



The above table specifies the total leasable area of each subject property and the leasable area owned by Kairos as well as the strata owned leasable area.

1. Alpha: Total leasable area of Alpha building is 143,248 sq.ft. out of which KPMPL owns 109,463 sq.ft. leasable area and the rest of the leasable area i.e., 33,785 sq.ft. is strata owned by third parties. The premier National Law University i.e., Maharashtra National Law University Mumbai is neighbouring building to Alpha which is accessible via Main Street
2. CRISIL House: Total leasable area of CRISIL House building is 211,611 sq.ft., which is wholly owned by KPMPL. Meluha The Fern Hotel is right opposite to Crisil House, which is accessible via Central Avenue.
3. Delphi: Delphi Building is sub-divided into 3 wings i.e. A, B & C. The total leasable area of building is 439,069 sq.ft. out of which KPMPL owns 349,629 sq.ft. leasable area which are further used for leasing activity and the rest of the leasable area i.e., 89,440 is strata owned by third parties. The Beatle Hotel is neighbouring building to Delphi which is accessible via Orchard Avenue.
4. Fairmont: Total leasable area of Fairmont building is 284,459 sq.ft., which is wholly owned by KPMPL. The luxurious residential development i.e., Castle Rock is accessible via South Avenue.
5. Winchester: Total leasable area of Winchester building is 745,822 sq.ft., which is wholly owned by KPMPL. The residential development i.e., Hiranandani Torino is accessible via South Avenue.
6. Prudential: Total leasable area of Prudential building is 234,229 sq.ft., which is wholly owned by KPMPL. The retail supermarket i.e., Haiko Supermarket is accessible via Central Avenue.
7. Spectra: Total leasable area of Spectra building is 216,304 sq.ft. out of which KPMPL owns 193,649 sq.ft. leasable area which are further used for leasing activity and the rest of the leasable area i.e., 22,655 is strata owned by third parties. Hiranandani Foundation School is accessible via High Street.
8. One Boulevard: Total leasable area of One Boulevard building is 106,133 sq.ft., which is wholly owned by KPMPL. Heera Panna Shopping Centre is accessible via Orchard Avenue.
9. Ventura A: Ventura A is a part of larger established building named Ventura, which is further bifurcated into 2 wings i.e., Wing A & Wing B. The total leasable area of Ventura A (Including the under-construction portion of 1<sup>st</sup> floor (part) and 10<sup>th</sup> floor) has a leasable area of 494,501 sq.ft.. Further, refurbishment work on the 1<sup>st</sup> floor (part) of 18,322 sq.ft. leasable area has been recently completed. Ventura A (Under Construction) represents the 10<sup>th</sup> floor under-construction and 1<sup>st</sup> floor (part) i.e., the leasable area of 74,668 sq.ft. KPMPL owns complete leasable area of Ventura A. The retail store i.e. D-mart is accessible via Central Avenue.



## **2.2 Accessibility**

All Subject Properties are well connected to major locations in city via multiple modes of communication. The distance of major landmarks in Mumbai Metropolitan Region (MMR) from the location of the Subject properties are as follows:

- Approximately 3.4 km from LBS Marg
- Approximately 1.6 km from IIT Powai
- Approximately 3.2 km from Kanjurmarg Railway Station
- Approximately 9.2 km from Eastern Express Highway
- Approximately 6.2 km from Chhatrapati Shivaji International Terminal
- Approximately 17.2 km from Western Express Highway
- Approximately 13.1 km from Mumbai Domestic Terminal
- Approximately 10.1 km from Bandra Kurla Complex

## **2.3 Ground Conditions**

Based on visual inspection, there were no evidence of adverse ground conditions at the properties or immediate vicinity.

## **2.4 Environmental Considerations**

We have not carried out any investigations or tests or been supplied with any information from Client or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water).

For the purpose of assessing the vulnerability of the Subject Properties to any natural or induced disaster the location of the properties with respect to risks pertaining to earthquakes, high winds/cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Properties is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Properties which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the subject properties and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Properties.





### 3 Subject Properties-- Asset Description

The Subject Properties constitutes of 9 buildings and under construction floor in Ventura A and are categorized under two components viz. completed buildings and Under Construction. The listing of buildings is as follows:

**Completed buildings with Occupancy Certificate (OC)** – Alpha, CRISIL House, Delphi, Fairmont, Winchester, Prudential, Spectra, One Boulevard & Ventura A.

**Under Construction** – The under-construction portion of Ventura A, i.e. 10<sup>th</sup> floor, has leasable area of 56,346 sq. ft., which is indicative and is subject to change once the internal business plans are in place or the construction is completed. It also includes an area of 18,322 leasable sq.ft. at refurbished 1<sup>st</sup> floor (part). It is given to understand that the refurbishment works have been completed on the 1<sup>st</sup> Floor (part) and that only the approvals from relevant authorities are pending.

The building wise break up for the Subject Properties are mentioned in the table below:

Buildings	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date	Leasing Periods (Quarters)
Alpha	1,09,463	11	9,951	Completed	NA	1
CRISIL House	2,11,611	9	23,512	Completed	NA	-
Delphi	3,49,629	6	58,272	Completed	NA	1
Fairmont	2,84,459	5	56,892	Completed	NA	-
Winchester	7,45,822	13	57,371	Completed	NA	4
Prudential	2,34,229	6	39,038	Completed	NA	1
Spectra	1,93,649	6	32,275	Completed	NA	3
One Boulevard	1,06,133	4	26,533	Completed	NA	-
Ventura A	4,19,833	9	46,648	Completed	NA	1
Ventura A (Under Construction Portion)	74,668	1	74,668	Under Construction	Q2 FY 2023-24	2
<b>Total</b>	<b>2,729,496</b>					

*\*Note: Refurbishment works on the 1<sup>st</sup> Floor (Part; 18,322 sq. ft. leasable area) of Ventura A has been completed and approvals from relevant authorities are pending. Ventura A (Under Construction) represents the under-construction 10<sup>th</sup> floor and the 1<sup>st</sup> floor (part).*

*Source: Architect's Certificate (dated: 12 May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information*

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received

Particulars	Details
<b>Entity:</b>	Kairos Property Managers Private Limited
<b>Interest owned by REIT (%):</b>	All Subject Properties are wholly owned by Kairos Property Managers Private Limited, of which 50% stake is proposed to be acquired by the Brookfield India REIT
<b>Age of building based on the date of Occupancy Certificate:</b>	Alpha - 20 years and 6 months CRISIL House - 13 years and 6 months Delphi - 18 years and 1 months Fairmont - 19 years Winchester - 13 years and 8 months Prudential - 19 year and 9 months Spectra - 20 year and 7 months One Boulevard – 15 year and 7 months Ventura A - 13 year and 8 months
<b>Asset Type:</b>	IT/ITeS / Commercial
<b>Sub-Market:</b>	Andheri & Powai
<b>Approved and Existing Usage:</b>	IT/ITeS / Commercial
<b>Land Area (acres):</b>	~19.95 Acres
<b>Freehold/Leasehold:</b>	Freehold / Leasehold Land
<b>Leasable Area**:</b>	2,654,828 sq. ft.
<b>Occupied Area**:</b>	2,371,437 sq. ft.
<b>Committed Occupancy (%)*:</b>	89.3%
<b>Current Effective Rent (excluding parking)</b>	INR 163 per sq. ft. per month (Including Office & Retail)
<b>Number of Tenants</b>	89 (Including Office & Retail)

Source: Architect's Certificate (dated: 12 May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

Note:

Refer company structure set out in Annexure 2

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area

\*\*Leasable Area and Occupied Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq Ft) and Towers (cumulatively admeasuring 25 Sq Ft). Of this, the income from the leased areas are included in the "Other Income".



**Under Construction**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Properties are wholly owned by Kairos Property Managers Private Limited, of which 50% stake is proposed to be acquired by Brookfield India REIT
<b>Expected completion date of construction:</b>	Q2 FY 2023-24
<b>Asset type:</b>	Retail and Commercial
<b>Sub-market:</b>	Andheri & Powai
<b>Approved Usage:</b>	Retail and Commercial
<b>Leasable Area:</b>	74,668 sq. ft.
<b>Status of construction:</b>	Under Construction
<b>Approvals received and pending:</b>	Amended Plan Approval received from MCGM as on 28 October 2021

*Source: Architect's Certificate (dated: 12 May 2023), and Client Information*



### **3.2 Investigation and nature and source of information**

The Subject Properties comprising of nine operational buildings with an under-construction portion in Ventura A was physically inspected on 11 April 2023. The inspection comprised visual inspection of operational buildings comprising all the properties and visits to key utility areas like LT Electric Room, Pump Room, Power Back up and STP. The common areas of all the buildings were visited.

In total, Subject Properties offer 1,676<sup>#</sup> parking space at the basement & ground levels. An Under-construction portion of Ventura A at 10<sup>th</sup> Floor was observed wherein the slab work is scheduled to be completed by September 2023. In addition, OC (Occupancy Certificate) will be applied during the same period. Inspection at vacant spaces was also done for the building Alpha, Delphi, Prudential, Spectra, Ventura A & Winchester to understand the internal structure of the building. For Fairmont building, a separate entrance lobby is dedicated for the tenant Deloitte because they occupy 80% of the total leasable area offered by the building. Subject Properties offer tenants to occupy the space on a bareshell basis. Thus, all the key utilities areas like HVAC, power back up etc are installed by tenants themselves.

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

Part 1<sup>st</sup> floor of Ventura A has 18,322 sq.ft. leasable area which was under refurbishment and the same is completed at the current stage.

It has been given to understand that budget of INR 125 Mn had been provisioned to be spent for expansion of 1<sup>st</sup> floor (part) and 10<sup>th</sup> floor at Ventura A.

In addition to above, it has been given to understand that a budget of INR 812 Million has been provisioned to be spent on asset upgradations relating to food court, podium, etc.

Also, it has been given to understand that post expiry of the existing tenant from CRISIL House, i.e. post 31st March 2024, the building shall be refurbished. The budgeted cost for such refurbishments to the extent of INR 480 Million has been included in the budget as mentioned above.

In addition to above, 2.0% of rental income (including parking income) has been provisioned for maintenance of premises.

*#Note: As per the Architects Certificate (Dated:12<sup>th</sup> May 2023)*



### 3.3 Tenant Profile

As of 31 March 2023, the Subject Properties' top 10 tenants occupying space in the subject properties, account for ~58.49% of leasable area and ~57.0% of the gross rental income (including office, retail and telecom tenants).

Rank	Top 10 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Deloitte Group	288,678
2	J P Morgan Services India Pvt Ltd	219,150
3	Nomura Services India Pvt Ltd	217,666
4	Crisil Limited	211,610
5	TIAA Global Business Services India Pvt Ltd	216,498
6	General Mills India Pvt Ltd	144,015
7	Tata Projects	84,394
8	Petrofac Engineering India Pvt Ltd	66,637
9	Credit Suisse Business Analytics	58,033
10	Synergy Maritime	55,254
<b>Total</b>		<b>1,561,935</b>

Source: Rent Roll as on 31 March 2023 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Deloitte Group	12%
2	J P Morgan Services India Pvt Ltd	9%
3	Nomura Services India Pvt Ltd	8%
4	Crisil Limited	8%
5	TIAA Global Business Services India Pvt Ltd	8%
6	General Mills India Pvt Ltd	6%
7	Tata Projects	4%
8	Petrofac Engineering India Pvt Ltd	3%
9	Credit Suisse Business Analytics	2%
10	Synergy Maritime	2%
<b>Total</b>		<b>61%</b>

Source: Rent Roll as at 31 March 2023 and Client Information



### 3.4 Lease Expiry

The Weighted Average Lease Expiry (WALE) of the properties is 3.83 years, with ~57% of occupied area expiring by FY 2027 as shown in the chart below (including office and retail tenants).



Source: Rent Roll as at 31 March 2023 and Client Information



## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Title certificates, architect certificates and other related documents as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

We have analysed the lease deed and completion status of the subject property, single tenant occupying the entire property, expiring by October 2027.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by the Cushman & Wakefield (CWI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner

1. An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by Cushman & Wakefield and readily available information in public domain to ascertain the transaction activity of commercial/IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the subject properties for leasing vacant spaces as well as upon releasing).



### **4.3 Cash Flow Projections:**

1. The cash flows has been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the subject properties. The following steps were undertaken to arrive at the value. Since the subject property is pre-leased to a single tenant, the projected future cash flows from the property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1&2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the subject property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Properties.
4. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Properties through this approach.

### **4.4 Information Sources:**

Property related information relied upon for the valuation exercise have been provided to the Valuer by the Client and the market data has been provided by Cushman and Wakefield, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.





## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Properties:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-23
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-33

### Property Details

#### Alpha

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	109,463
Area Leased	Sq. ft.	80,150
Leased	%	73.2%
Vacant Area	Sq. ft.	29,313
Vacancy	%	26.8%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	26,576
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	1

Note:

Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 2 Sq Ft). Of this, the income from the leased areas are included in the "Other Income"

#### CRISIL House

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	211,611
Area Leased	Sq. ft.	211,611
Leased	%	100.0%
Vacant Area	Sq. ft.	-
Vacancy	%	0.0%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97.5%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	-

Note:

Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (admeasuring 1 Sq Ft). Of this, the income from the leased areas are included in the "Other Income"



**Delphi**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	349,629
Area Leased	Sq. ft.	325,563
Leased	%	93.1%
Vacant Area	Sq. ft.	24,066
Vacancy	%	6.9%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	15,325
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Paid Car Parks	#	6
Estimated Leasing Period	# of quarters	1

Note:

Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 4 Sq Ft). Of this, the income from the leased areas are included in the "Other Income"

**Fairmont**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	284,459
Area Leased	Sq. ft.	284,434
Leased	%	100.0%
Vacant Area	Sq. ft.	25
Vacancy	%	0.0%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97.5%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Paid Car Parks	#	214
Estimated Leasing Period	# of quarters	-

Note:

Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied for ATM purpose (admeasuring 25 Sq Ft) and Towers (cumulatively admeasuring 5 Sq Ft). Of this, the income from the leased areas are included in the "Other Income"



**Winchester**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	745,822
Area Leased	Sq. ft.	625,596
Leased	%	83.9%
Vacant Area	Sq. ft.	120,226
Vacancy	%	16.1%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	101,532
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	4

Note:

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied for ATM purpose (cumulatively admeasuring 50 Sq Ft) and Towers (cumulatively admeasuring 4 Sq Ft). Of this, the income from the leased areas are included in the "Other Income".*

**Prudential**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	234,229
Area Leased	Sq. ft.	212,187
Leased	%	90.6%
Vacant Area	Sq. ft.	22,042
Vacancy	%	9.4%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	16,186
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Paid Car Parks	#	2
Estimated Leasing Period	# of quarters	1

Note:

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (admeasuring 1 Sq Ft). Of this, the income from the leased areas are included in the "Other Income"*



**Spectra**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	193,649
Area Leased	Sq. ft.	126,253
Leased	%	65.2%
Vacant Area	Sq. ft.	67,396
Vacancy	%	34.8%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	62,555
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	3

Note:

Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 4 Sq Ft). Of this, the income from the leased areas are included in the "Other Income"

**One Boulevard**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	106,133
Area Leased	Sq. ft.	106,133
Leased	%	100.0%
Vacant Area	Sq. ft.	-
Vacancy	%	0.0%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97.5%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	-

Note:

Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 2 Sq Ft). Of this, the income from the leased areas are included in the "Other Income"

**Ventura A**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	419,833
Area Leased	Sq. ft.	399,510
Leased	%	95.2%
Vacant Area	Sq. ft.	20,323
Vacancy	%	4.8%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	9,827
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Paid Car Parks	#	36
Estimated Leasing Period	# of quarters	1

Note:

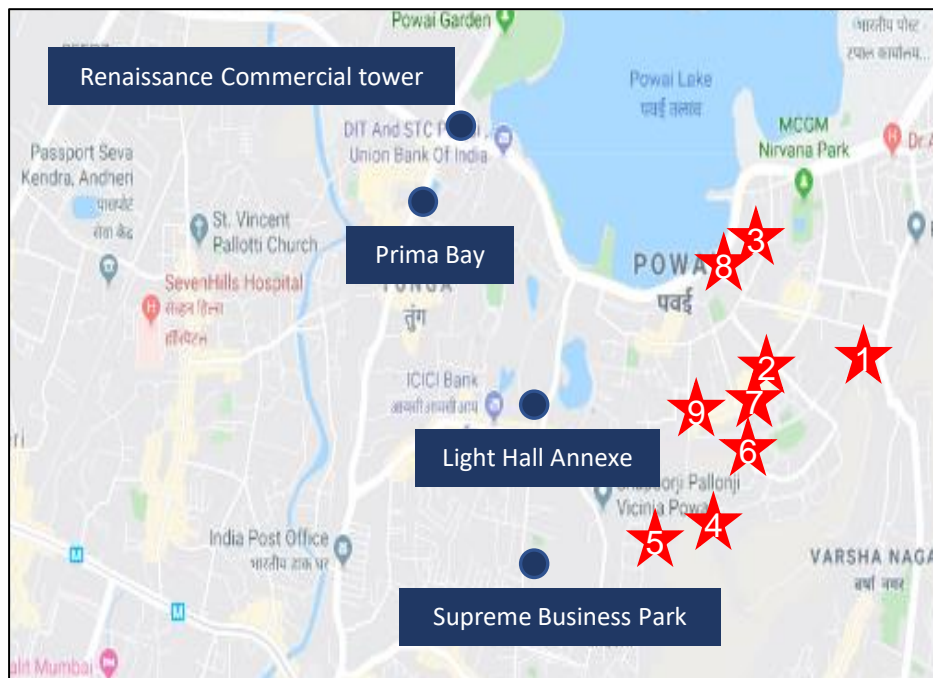
Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 2 Sq Ft). Of this, the income from the leased areas are included in the “Other Income”

Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area

- **Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of two months has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 – Q1 2023, the Andheri & Powai micro market has witnessed an average annual net absorption of approximately 0.51 million sq. ft.
  - Going forward, the micro market is expected to have an average annual demand of approximately 1.18 million sq. ft. per annum for 2023 - 2025.

**Subject Properties and Relevant Existing/Upcoming Supply in the Andheri & Powai Micro Market**





- Considering the above, it would be reasonable to believe that the Subject Properties shall be able to lease up ~0.23 million sq. ft. within 3 quarters from April 2023.
- Further leasing area of ~0.23 million sq. ft. has been assumed after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.



**Revenue Assumptions**

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Commercial)	Per sq. ft. per month	INR 170.00
Achievable Market Rent – Office (IT – Central Avenue)	Per sq. ft. per month	INR 155.00
Achievable Market Rent – Office (IT – South Avenue)	Per sq. ft. per month	INR 145.00
Achievable Market Rent– Retail (Delphi)	Per sq. ft. per month	INR 270.00
Achievable Market Rent– Retail (Delphi 1 <sup>st</sup> Floor)	Per sq. ft. per month	INR 190.00
Achievable Market Rent– Retail (Prudential)	Per sq. ft. per month	INR 405.00
Achievable Market Rent– Retail (One Boulevard)	Per sq. ft. per month	INR 350.00
Achievable Market Rent– Retail (Ventura)	Per sq. ft. per month	INR 405.00
Achievable Market Rent– Retail (Ventura 1 <sup>st</sup> Floor)	Per sq. ft. per month	INR 280.00
Market Rent growth rate - FY 2025-27	% p.a.	6.0%
Market Rent growth rate from FY 2028 onwards	% p.a.	5.0%
Normal Market Lease Tenure	# of years	5
Normal Market Escalation at end	# of years	1
Market Escalation at the end of Escalation period	%	5.00%

• **Achievable market rent – Office (Commercial & IT):**

- During 2021 to Q1 2023, approximately 1.09 million sq. ft. was leased in the rental range of INR 134-162 per sq. ft. per month for IT buildings in South Avenue, INR 140 – 150 per sq. ft. per month for IT buildings in Central Avenue and INR 150-177 per sq. ft. per month for Commercial buildings.

**Lease Transactions 2021-2023**

Tenants	Building Name	Office	Year	Area (sq. ft)	Rent (INR per sq. ft)
Continuum Green Energy (India) Pvt Ltd	Delphi C	Commercial	2023	4,597	175
TIAA Global Business Services India Pvt Ltd	Winchester	IT	2023	33,261	136
Brookfield Advisors India Private Limited	Godrej BKC	Commercial	2023	13,738	510
Synergy Maritime Recruitment Services Pvt Ltd	Prudential	IT – CA	2022	55,254	147
Petrofac Engineering India Pvt Ltd	Ventura A	IT – CA	2022	66,637	150
Thermo Fisher Scientific India Pvt Ltd	Delphi	Commercial	2022	38141	154
Brand Scientific Equipment	Delphi	Commercial	2022	3,275	177
Bernhard Schulte Shipmanagement (India) Pvt Ltd	Delphi	Commercial	2022	12,825	166
Senvion Wind Technology Pvt Ltd	Delphi	Commercial	2022	17,080	164
FIS Global Business Solutions India Pvt Ltd	Fairmont	IT – SA	2022	56,830	134
General Mills India Pvt Ltd	Spectra	IT – CA	2022	69,410	144
Emerson Process Management	Delphi	Commercial	2022	32,829	150
Disys India Pvt Ltd	Winchester	IT – SA	2021	12,433	135
Royal Sundaram Alliance Insurance	Delphi	Commercial	2021	15,248	159
Prudential Process Management Services	Prudential	IT – CA	2021	54,673	140
OMCI Shipmanagement	Delphi	Commercial	2021	5,475	172
LTIDPL Indvit Services Ltd	Delphi	Commercial	2021	7,445	167
Deloitte	Fairmont	IT – SA	2021	9,700	162

Source: Rent roll as at 31 March 2023 and Client Information; IT - CA: IT buildings in Central Avenue; IT – SA: IT buildings in South Avenue

- Considering the location, accessibility, quality, size of the building, and keeping in view the strong demand in the competitive REIT micro-market coupled with limited available supply (especially in the Powai sub-market), upcoming supply expected to be delivered in 2023 in the competitive REIT micro-market to be mostly pre-committed, it can reasonably be assumed that the Subject Properties shall be able to command a monthly rental of INR 145, INR 155 & INR 170 per sq. ft. per month for IT buildings in South Avenue, IT buildings in Central Avenue & Commercial offices respectively.



- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals in FY 2025-27 to be 6% and 5% from FY 2028 onwards in the medium to long term.
- **Other income:** We have been provided with other income for Paid Car Park, ATM, Telecom Towers income. We have considered an annual growth of 5.0% on other income.
- **O&M Margin:** O&M revenues and expenses were shared by the client. O&M revenues include sinking fund which is being passed through to the tenants.
  - Alpha: For CY 2023, the O&M income is considered to be INR 13.75 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 2.29 per sq. ft. per month for CY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in
  - CRISIL House: For CY 2023, the O&M income is considered to be INR 8.78 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 1.46 per sq. ft. per month for CY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in.
  - Delphi: For CY 2023, the O&M income is considered to be INR 13.38 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 2.23 per sq. ft. per month for CY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in.
  - Fairmont: For CY 2023, the O&M income is considered to be INR 11.51 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 1.92 per sq. ft. per month for CY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in.
  - Winchester: For CY 2023, the O&M income is considered to be INR 12.65 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 2.11 per sq. ft. per month for CY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in
  - Prudential: For CY 2023, the O&M income is considered to be INR 14.74 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 2.46 per sq. ft. per month for FY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in.
  - Spectra: For FY 2023, the O&M income is considered to be INR 13.44 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 2.24 per sq. ft. per month for FY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in.
  - One Boulevard: For FY 2023, the O&M income is considered to be INR 17.25 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 2.87 per sq. ft. per month for FY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in.
  - Ventura A: For CY 2023, the O&M income is considered to be INR 12.82 per sq.ft. per month, derived on the basis of 20% margin of the O&M Cost, which is escalated for subsequent years. The





O&M margin is INR 2.14 per sq. ft. per month for CY 2023 for the rollover/new leases as the contracts for existing tenancies are already locked in

**Operating Cost Assumptions**

**Alpha**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/O&M Margin	Per sq. ft. / month	INR 2.29
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	10.42
CAM Cost escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Payroll Cost Escalation	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**CRISIL House**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 1.46
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	-
Cost escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Payroll Cost Escalation	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Delphi**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 2.23
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	32.76
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Payroll Cost Escalations	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%



**Fairmont**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 1.92
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc	Annual	16.21
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Payroll Cost Escalations	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Winchester**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 2.11
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	43.25
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Payroll cost Escalations	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Prudential**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 2.46
Payroll cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	11.12
Cost escalation	% p.a.	5.0%
Property Tax escalation	% p.a.	5.0%
Payroll cost escalations	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Spectra**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 2.24
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	10.00
Cost escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Payroll Cost Escalation	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%



**One Boulevard**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 2.87
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	5.52
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Payroll Cost Escalations	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Ventura A**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 2.14
Payroll Cost	Per sq. ft. / month	INR 3.33
Property Tax / Lease Permission etc.	Annual	19.94
Cost escalation	% p.a.	5.0%
Property Taxes Escalations	% p.a.	5.0%
Payroll Cost Escalations	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two month for new leases and one month for existing lease rollovers.
- **Payroll Cost:** As provided by the client, we have considered budgeted payroll cost of INR 3.33 per sq. ft., per month for all the subject properties. The escalation is effective 1 January of every year
- **Property tax, Insurance Cost:** Property Tax has been considered at the same level as FY 21-22 and projected to increase at 5.0% per annum. Insurance cost forms a part of CAM/O&M cost.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



**Discount Rate & Capitalisation rate assumptions**

- **Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates. In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for a proposed public listing with better liquidity/marketability of ownership interest, the cap rate for the Subject Properties has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note:

\*CPPIB took 51% stake in the property erstwhile held by Prestige estates

The above information is based on information published in public domain and discussions with various market players



- **Discount Rate**

This discount rate applied to the available cash flows reflect the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Properties has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.



### Under Construction

Please note that all assumptions mentioned above under the “Completed Buildings with Occupancy Certificate (OC) received” section holds true for “Under Construction” portion. The exceptions if any are as elaborated below:

The below details are for Under construction portion & refurbished portion ie 1<sup>st</sup> floor (part) & 10<sup>th</sup> floor of Ventura A respectively

### **Property Details**

<b>Property Details</b>	<b>Unit</b>	<b>Details</b>
Total Property Leasable Area	Sq. ft.	74,668
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	54,937
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	2

### **Operating Cost Assumptions**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
Current CAM/ O&M cost	Per sq. ft. per month	INR 9.92
Payroll Cost	Per sq. ft. per month	INR 3.33
Property Tax / Lease Permission etc.	Per sq. ft. per month	INR 3.96
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Payroll Cost Escalations	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

### **Construction Related Assumptions**

<b>Construction Related Assumptions</b>	<b>Units</b>	<b>Future Development</b>
Start Date of Construction		December - 2021
End Date of Construction		September - 2023
Total Construction Cost <sup>3</sup>	INR Million	439.3
Construction Cost Incurred till Date	INR Million	314.4
Construction Cost to be Incurred	INR Million	124.9

#### Notes:

1. Reliance on Client inputs for the assumptions relating to construction.
2. The assumptions on cost to be incurred for future developments as well as for under construction projects are based on inputs provided from the client while applying independent professional judgement by the valuer.
3. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Commercial)	Per sq. ft. per month	INR 170.00
Achievable Market Rent– Office (IT)	Per sq. ft. per month	INR 155.00
Achievable Market Rent – Retail	Per sq. ft. per month	INR 280.00
Market Rent growth rate - FY 2025-27	% p.a.	6.0%
Rental Growth Rate FY28 onwards	% p.a.	5.0%
Normal Market Lease Tenure	# of years	5
Normal Market Escalation at end	# of years	1
Market Escalation at the end of Escalation period	%	5.00%
O&M Income for future leases	Per sq. ft. per month	INR 12.82

### Capitalization Rate and Discount Rate

With reference to the explanation in completed property section, the cap rate for the Subject Properties has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year. This discount rate applied to the available cash flows reflect the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Properties has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/properties in the market.

The derived discount rate of 13.00% for under construction portion i.e. 10th floor of Ventura A found to be aligned with the expectations of international investors investing in similar assets. Refurbishment works on the 1st Floor (part) of Ventura A has been completed and approvals from relevant authorities are pending. For 1<sup>st</sup> floor of Ventura A, the discount rate is assumed to be 11.75% ie similar to completed buildings



## 6 Market Value

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

<b>Building Name</b>	<b>Market Value (INR Million)</b>
Alpha	2,822
CRISIL House	5,504
Delphi	9,625
Fairmont	6,440
Winchester	16,553
Prudential	6,384
Spectra	4,378
One Boulevard	3,601
Ventura A (Completed) *	12,001
Ventura A (Under Construction portion) *	1,707
<b>Total Market Value</b>	<b>69,015</b>

*\*Note: Refurbishment works on the 1st Floor (Part; 18,322 sq. ft. leasable area) of Ventura A has been completed and approvals from relevant authorities are pending. Hence, for the purpose of valuation, we have considered same WACC rate of 11.50%, as that of the operational portion of Ventura A. Ventura A (Under Construction) represents the under-construction 10th floor and the 1st floor (part)*





Component	Market Value as on	In Figures	In Words
Completed Buildings	31 March 2023	INR 67,308 Million	Indian Rupees Sixty-Seven Billion Three Hundred and Eight Million Only
Under Construction	31 March 2023	INR 1,707 Million	Indian Rupees One Billion Seven Hundred and Seven Million Only

*\*Note: Under Construction includes 1<sup>st</sup> floor (part) & 10<sup>th</sup> floor of Ventura A respectively*

I, L. Anuradha, the Valuer for the Subject Properties, hereby declare that:

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

Prepared by

(L. Anuradha, MRICS)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



**Annexure 1: Cash Flows – Completed Buildings with Occupation Certificate (OC) received**

**Alpha**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	193.12	235.14	249.00	265.15	264.83	264.55	292.32	313.80	331.28	326.96	365.23
O&M Income	INR Million	14.40	16.46	17.40	18.25	18.86	22.98	24.13	25.34	26.60	27.93	29.33
Other Income (Telecom)	INR Million	2.31	2.46	2.58	2.71	2.86	3.00	3.15	3.31	3.47	3.64	3.83
<b>Total Income</b>	INR Million	<b>209.83</b>	<b>254.05</b>	<b>268.98</b>	<b>286.11</b>	<b>286.55</b>	<b>290.53</b>	<b>319.60</b>	<b>342.45</b>	<b>361.35</b>	<b>358.54</b>	<b>398.39</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>209.83</b>	<b>254.05</b>	<b>268.98</b>	<b>286.11</b>	<b>286.55</b>	<b>290.53</b>	<b>319.60</b>	<b>342.45</b>	<b>361.35</b>	<b>358.54</b>	<b>398.39</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(14.05)	(14.75)	(15.49)	(16.26)	(17.08)	(17.93)	(18.83)	(19.77)	(20.76)	(21.80)	(22.89)
Payroll Cost	INR Million	(4.46)	(4.82)	(5.20)	(5.62)	(6.07)	(6.55)	(7.08)	(7.64)	(8.25)	(8.92)	(9.63)
Property Taxes	INR Million	(10.95)	(11.49)	(12.07)	(12.67)	(13.30)	(13.97)	(14.67)	(15.40)	(16.17)	(16.98)	(17.83)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(29.46)</b>	<b>(31.06)</b>	<b>(32.76)</b>	<b>(34.55)</b>	<b>(36.45)</b>	<b>(38.45)</b>	<b>(40.57)</b>	<b>(42.82)</b>	<b>(45.19)</b>	<b>(47.69)</b>	<b>(50.34)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>180.37</b>	<b>222.99</b>	<b>236.22</b>	<b>251.56</b>	<b>250.10</b>	<b>252.08</b>	<b>279.02</b>	<b>299.63</b>	<b>316.17</b>	<b>310.85</b>	<b>348.05</b>
<b>Terminal Value</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	4,350.59	
<b>Transaction Cost</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	(43.51)	
<b>Total Net Income</b>	<b>INR Million</b>	<b>180.37</b>	<b>222.99</b>	<b>236.22</b>	<b>251.56</b>	<b>250.10</b>	<b>252.08</b>	<b>279.02</b>	<b>299.63</b>	<b>316.17</b>	<b>4,617.93</b>	
Maintenance Capital Expenditure	INR Million	(3.02)	(4.70)	(4.98)	(5.30)	(5.30)	(5.29)	(5.85)	(6.28)	(6.63)	(6.54)	
Brokerage Expenses	INR Million	(11.08)	(2.89)	(1.91)	-	(7.03)	(7.86)	(3.76)	(2.46)	-	(8.97)	
Capital Expenditure	INR Million	(8.55)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>157.72</b>	<b>215.39</b>	<b>229.33</b>	<b>246.26</b>	<b>237.77</b>	<b>238.92</b>	<b>269.42</b>	<b>290.89</b>	<b>309.54</b>	<b>4,602.42</b>	
<b>Discount Rate</b>	<b>11.75%</b>											
<b>NPV as on 31-Mar-23 (INR Million)</b>	<b>2,822</b>											
<b>INR per sq. ft.</b>	<b>25,777</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**CRISIL House**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	359.19	79.80	492.05	544.56	571.79	600.38	633.78	672.63	706.26	741.57	778.65
O&M Income	INR Million	22.73	7.77	29.60	31.08	32.63	34.27	35.98	37.78	39.67	41.65	43.73
Other Income (Telecom)	INR Million	0.17	0.18	0.20	0.20	0.22	0.23	0.24	0.25	0.26	0.27	0.29
<b>Total Income</b>	INR Million	<b>382.08</b>	<b>87.75</b>	<b>521.85</b>	<b>575.85</b>	<b>604.64</b>	<b>634.87</b>	<b>670.00</b>	<b>710.66</b>	<b>746.19</b>	<b>783.50</b>	<b>822.67</b>
<b>Total Income from occupancy</b>	INR Million	<b>382.08</b>	<b>87.75</b>	<b>521.85</b>	<b>575.85</b>	<b>604.64</b>	<b>634.87</b>	<b>670.00</b>	<b>710.66</b>	<b>746.19</b>	<b>783.50</b>	<b>822.67</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(16.64)	(17.47)	(18.35)	(19.26)	(20.23)	(21.24)	(22.30)	(23.41)	(24.58)	(25.81)	(27.10)
Payroll Cost	INR Million	(8.62)	(9.31)	(10.06)	(10.86)	(11.73)	(12.67)	(13.68)	(14.78)	(15.96)	(17.23)	(18.61)
Property Taxes	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Costs</b>	INR Million	<b>(25.26)</b>	<b>(26.78)</b>	<b>(28.40)</b>	<b>(30.12)</b>	<b>(31.96)</b>	<b>(33.91)</b>	<b>(35.98)</b>	<b>(38.19)</b>	<b>(40.54)</b>	<b>(43.05)</b>	<b>(45.72)</b>
<b>Net operating Income</b>	INR Million	<b>356.82</b>	<b>60.97</b>	<b>493.44</b>	<b>545.72</b>	<b>572.68</b>	<b>600.97</b>	<b>634.02</b>	<b>672.47</b>	<b>705.65</b>	<b>740.45</b>	<b>776.95</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	9,711.94	-
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(97.12)	-
<b>Total Net Income</b>	INR Million	<b>356.82</b>	<b>60.97</b>	<b>493.44</b>	<b>545.72</b>	<b>572.68</b>	<b>600.97</b>	<b>634.02</b>	<b>672.47</b>	<b>705.65</b>	<b>10,355.27</b>	-
Maintenance Capital Expenditure	INR Million	(1.80)	(1.60)	(9.84)	(10.89)	(11.44)	(12.01)	(12.68)	(13.45)	(14.13)	(14.83)	-
Brokerage Expenses	INR Million	-	(29.35)	(13.29)	-	-	-	(38.18)	(17.12)	-	-	-
Capital Expenditure	INR Million	(256.54)	(240.02)	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	<b>98.49</b>	<b>(210.00)</b>	<b>470.31</b>	<b>534.83</b>	<b>561.25</b>	<b>588.96</b>	<b>583.16</b>	<b>641.89</b>	<b>691.52</b>	<b>10,340.43</b>	-
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 31-Mar-23 (INR Million)</b>		<b>5,504</b>										
<b>INR per sq. ft.</b>		<b>26,009</b>										

*Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.*



**Delphi**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	693.43	738.53	772.78	793.30	853.87	949.75	1,016.37	1,071.52	1,114.69	1,141.16	1,252.98
Parking Income	INR Million	0.64	0.69	0.72	0.31	-	-	-	-	-	-	-
O&M Income	INR Million	56.21	59.70	62.70	66.40	70.56	73.25	77.07	81.14	85.20	89.46	93.94
Other Income (Telecom)	INR Million	7.51	8.06	8.53	9.04	9.52	9.99	10.49	11.02	11.57	12.15	12.75
<b>Total Income</b>	INR Million	<b>757.79</b>	<b>806.97</b>	<b>844.72</b>	<b>869.05</b>	<b>933.95</b>	<b>1,032.99</b>	<b>1,103.93</b>	<b>1,163.69</b>	<b>1,211.47</b>	<b>1,242.77</b>	<b>1,359.67</b>
<b>Total Income from occupancy</b>	INR Million	<b>757.79</b>	<b>806.97</b>	<b>844.72</b>	<b>869.05</b>	<b>933.95</b>	<b>1,032.99</b>	<b>1,103.93</b>	<b>1,163.69</b>	<b>1,211.47</b>	<b>1,242.77</b>	<b>1,359.67</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(43.60)	(45.78)	(48.06)	(50.47)	(52.99)	(55.64)	(58.42)	(61.34)	(64.41)	(67.63)	(71.01)
Payroll Cost	INR Million	(14.24)	(15.38)	(16.62)	(17.94)	(19.38)	(20.93)	(22.60)	(24.41)	(26.37)	(28.48)	(30.75)
Property Taxes	INR Million	(34.40)	(36.12)	(37.92)	(39.82)	(41.81)	(43.90)	(46.09)	(48.40)	(50.82)	(53.36)	(56.03)
<b>Total Operating Costs</b>	INR Million	<b>(92.24)</b>	<b>(97.28)</b>	<b>(102.60)</b>	<b>(108.23)</b>	<b>(114.18)</b>	<b>(120.47)</b>	<b>(127.12)</b>	<b>(134.16)</b>	<b>(141.60)</b>	<b>(149.47)</b>	<b>(157.79)</b>
<b>Net operating Income</b>	INR Million	<b>665.55</b>	<b>709.70</b>	<b>742.12</b>	<b>760.82</b>	<b>819.77</b>	<b>912.52</b>	<b>976.81</b>	<b>1,029.53</b>	<b>1,069.87</b>	<b>1,093.30</b>	<b>1,201.87</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	15,023.43	-
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(150.23)	-
<b>Fit Out Income</b>	INR Million	2.62	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	INR Million	<b>668.17</b>	<b>709.70</b>	<b>742.12</b>	<b>760.82</b>	<b>819.77</b>	<b>912.52</b>	<b>976.81</b>	<b>1,029.53</b>	<b>1,069.87</b>	<b>15,966.50</b>	-
Maintenance Capital Expenditure	INR Million	(10.43)	(14.78)	(15.47)	(15.87)	(17.08)	(18.99)	(20.33)	(21.43)	(22.29)	(22.82)	-
Brokerage Expenses	INR Million	(7.69)	(7.36)	(8.77)	(24.55)	(25.41)	(9.96)	(10.30)	(11.30)	(31.33)	(32.43)	-
Capital Expenditure	INR Million	(27.30)	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	<b>622.75</b>	<b>687.56</b>	<b>717.88</b>	<b>720.40</b>	<b>777.28</b>	<b>883.56</b>	<b>946.19</b>	<b>996.80</b>	<b>1,016.25</b>	<b>15,911.25</b>	-
<b>Discount Rate</b>	<b>11.75%</b>											
<b>NPV as on 31-Mar-23 (INR Million)</b>	<b>9,625</b>											
<b>INR per sq. ft.</b>	<b>27,531</b>											

*Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.*



**Fairmont**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	521.87	472.95	533.89	542.49	601.23	632.66	601.12	708.57	719.58	781.20	820.26
Parking Income	INR Million	4.45	-	-	-	-	-	-	-	-	-	-
O&M Income	INR Million	38.42	40.88	43.89	46.05	48.51	50.94	53.49	56.16	58.97	61.92	65.01
Other Income (Telecom)	INR Million	4.82	5.15	5.44	5.76	6.12	6.42	6.75	7.08	7.44	7.81	8.20
<b>Total Income</b>	INR Million	<b>569.56</b>	<b>518.97</b>	<b>583.23</b>	<b>594.30</b>	<b>655.86</b>	<b>690.02</b>	<b>661.35</b>	<b>771.81</b>	<b>785.99</b>	<b>850.93</b>	<b>893.47</b>
<b>Total Income from occupancy</b>	INR Million	<b>569.56</b>	<b>518.97</b>	<b>583.23</b>	<b>594.30</b>	<b>655.86</b>	<b>690.02</b>	<b>661.35</b>	<b>771.81</b>	<b>785.99</b>	<b>850.93</b>	<b>893.47</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(30.13)	(31.64)	(33.22)	(34.88)	(36.62)	(38.46)	(40.38)	(42.40)	(44.52)	(46.74)	(49.08)
Payroll Cost	INR Million	(11.59)	(12.52)	(13.52)	(14.60)	(15.77)	(17.03)	(18.39)	(19.86)	(21.45)	(23.17)	(25.02)
Property Taxes	INR Million	(17.02)	(17.87)	(18.77)	(19.70)	(20.69)	(21.72)	(22.81)	(23.95)	(25.15)	(26.41)	(27.73)
<b>Total Operating Costs</b>	INR Million	<b>(58.74)</b>	<b>(62.03)</b>	<b>(65.50)</b>	<b>(69.18)</b>	<b>(73.08)</b>	<b>(77.21)</b>	<b>(81.58)</b>	<b>(86.21)</b>	<b>(91.12)</b>	<b>(96.31)</b>	<b>(101.83)</b>
<b>Net operating Income</b>	INR Million	<b>510.82</b>	<b>456.95</b>	<b>517.73</b>	<b>525.12</b>	<b>582.78</b>	<b>612.81</b>	<b>579.77</b>	<b>685.61</b>	<b>694.87</b>	<b>754.61</b>	<b>791.65</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	9,895.58	-
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(98.96)	-
<b>Total Net Income</b>	INR Million	<b>510.82</b>	<b>456.95</b>	<b>517.73</b>	<b>525.12</b>	<b>582.78</b>	<b>612.81</b>	<b>579.77</b>	<b>685.61</b>	<b>694.87</b>	<b>10,551.24</b>	-
Maintenance Capital Expenditure	INR Million	(7.77)	(9.46)	(10.68)	(10.85)	(12.02)	(12.65)	(12.02)	(14.17)	(14.39)	(15.62)	-
Brokerage Expenses	INR Million	(8.30)	(27.11)	-	(9.57)	-	(10.90)	(35.27)	-	(12.21)	-	-
Capital Expenditure	INR Million	(22.21)	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	<b>472.54</b>	<b>420.38</b>	<b>507.05</b>	<b>504.70</b>	<b>570.76</b>	<b>589.26</b>	<b>532.48</b>	<b>671.43</b>	<b>668.27</b>	<b>10,535.61</b>	-
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 31-Mar-23 (INR Million)</b>		<b>6,440</b>										
<b>INR per sq. ft.</b>		<b>22,641</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Winchester**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Jan-23 31-Dec-23	01-Jan-24 31-Dec-24	01-Jan-25 31-Dec-25	01-Jan-26 31-Dec-26	01-Jan-27 31-Dec-27	01-Jan-28 31-Dec-28	01-Jan-29 31-Dec-29	01-Jan-30 31-Dec-30	01-Jan-31 31-Dec-31	01-Jan-32 31-Dec-32	01-Jan-33 31-Dec-33
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	1,064.26	1,272.39	1,362.67	1,302.23	1,426.88	1,524.96	1,648.99	1,795.78	1,959.08	2,083.12	2,204.24
O&M Income	INR Million	98.37	114.87	120.43	126.12	132.26	139.07	153.78	163.51	172.98	181.63	190.71
Other Income (Telecom)	INR Million	5.01	5.34	5.68	6.04	6.40	6.73	7.06	7.41	7.79	8.17	8.58
<b>Total Income</b>	INR Million	<b>1,167.64</b>	<b>1,392.59</b>	<b>1,488.78</b>	<b>1,434.38</b>	<b>1,565.54</b>	<b>1,670.75</b>	<b>1,809.83</b>	<b>1,966.70</b>	<b>2,139.85</b>	<b>2,272.92</b>	<b>2,403.54</b>
<b>Total Income from occupancy</b>	INR Million	<b>1,167.64</b>	<b>1,392.59</b>	<b>1,488.78</b>	<b>1,434.38</b>	<b>1,565.54</b>	<b>1,670.75</b>	<b>1,809.83</b>	<b>1,966.70</b>	<b>2,139.85</b>	<b>2,272.92</b>	<b>2,403.54</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(87.52)	(91.90)	(96.49)	(101.32)	(106.38)	(111.70)	(117.28)	(123.15)	(129.31)	(135.77)	(142.56)
Payroll Cost	INR Million	(30.38)	(32.82)	(35.44)	(38.28)	(41.34)	(44.65)	(48.22)	(52.07)	(56.24)	(60.74)	(65.60)
Property Taxes	INR Million	(45.41)	(47.68)	(50.06)	(52.57)	(55.20)	(57.96)	(60.85)	(63.90)	(67.09)	(70.45)	(73.97)
<b>Total Operating Costs</b>	INR Million	<b>(163.31)</b>	<b>(172.39)</b>	<b>(182.00)</b>	<b>(192.16)</b>	<b>(202.92)</b>	<b>(214.30)</b>	<b>(226.36)</b>	<b>(239.12)</b>	<b>(252.64)</b>	<b>(266.96)</b>	<b>(282.13)</b>
<b>Net operating Income</b>	INR Million	<b>1,004.33</b>	<b>1,220.20</b>	<b>1,306.78</b>	<b>1,242.22</b>	<b>1,362.63</b>	<b>1,456.45</b>	<b>1,583.48</b>	<b>1,727.58</b>	<b>1,887.21</b>	<b>2,005.97</b>	<b>2,121.41</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	26,517.66	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(265.18)	
<b>Total Net Income</b>	INR Million	<b>1,004.33</b>	<b>1,220.20</b>	<b>1,306.78</b>	<b>1,242.22</b>	<b>1,362.63</b>	<b>1,456.45</b>	<b>1,583.48</b>	<b>1,727.58</b>	<b>1,887.21</b>	<b>28,258.45</b>	
Maintenance Capital Expenditure	INR Million	(16.05)	(25.45)	(27.25)	(26.04)	(28.54)	(30.50)	(32.98)	(35.92)	(39.18)	(41.66)	
Brokerage Expenses	INR Million	(29.76)	(9.69)	-	(15.76)	(6.33)	(25.75)	(58.68)	(45.45)	(20.12)	(8.08)	
Capital Expenditure	INR Million	(58.23)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>900.28</b>	<b>1,185.06</b>	<b>1,279.53</b>	<b>1,200.42</b>	<b>1,327.76</b>	<b>1,400.20</b>	<b>1,491.82</b>	<b>1,646.22</b>	<b>1,827.91</b>	<b>28,208.71</b>	
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 31-Mar-23 (INR Million)</b>		<b>16,553</b>										
<b>INR per sq. ft.</b>		<b>22,196</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Prudential**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	458.23	506.74	541.83	542.44	569.24	633.59	672.46	667.37	719.27	722.00	810.39
Parking Income	INR Million	0.15	0.16	0.17	0.17	0.18	0.19	0.20	0.01	-	-	-
O&M Income	INR Million	37.88	40.53	42.55	44.60	47.59	50.19	52.70	58.28	61.20	64.26	67.47
Other Income (Telecom)	INR Million	0.18	0.20	0.21	0.22	0.23	0.24	0.25	0.26	0.28	0.29	0.30
<b>Total Income</b>	INR Million	<b>496.44</b>	<b>547.62</b>	<b>584.76</b>	<b>587.43</b>	<b>617.24</b>	<b>684.22</b>	<b>725.62</b>	<b>725.91</b>	<b>780.75</b>	<b>786.55</b>	<b>878.16</b>
<b>Total Income from occupancy</b>	INR Million	<b>496.44</b>	<b>547.62</b>	<b>584.76</b>	<b>587.43</b>	<b>617.24</b>	<b>684.22</b>	<b>725.62</b>	<b>725.91</b>	<b>780.75</b>	<b>786.55</b>	<b>878.16</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(32.39)	(34.01)	(35.71)	(37.49)	(39.37)	(41.34)	(43.40)	(45.57)	(47.85)	(50.24)	(52.76)
Payroll Cost	INR Million	(9.54)	(10.31)	(11.13)	(12.02)	(12.98)	(14.02)	(15.14)	(16.36)	(17.66)	(19.08)	(20.60)
Property Taxes	INR Million	(11.67)	(12.26)	(12.87)	(13.51)	(14.19)	(14.90)	(15.64)	(16.43)	(17.25)	(18.11)	(19.02)
<b>Total Operating Costs</b>	INR Million	<b>(53.60)</b>	<b>(56.57)</b>	<b>(59.71)</b>	<b>(63.03)</b>	<b>(66.54)</b>	<b>(70.26)</b>	<b>(74.19)</b>	<b>(78.35)</b>	<b>(82.76)</b>	<b>(87.43)</b>	<b>(92.37)</b>
<b>Net operating Income</b>	INR Million	<b>442.84</b>	<b>491.05</b>	<b>525.05</b>	<b>524.40</b>	<b>550.70</b>	<b>613.96</b>	<b>651.43</b>	<b>647.56</b>	<b>697.99</b>	<b>699.12</b>	<b>785.79</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	9,822.36	-
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(98.22)	-
<b>Total Net Income</b>	INR Million	<b>442.84</b>	<b>491.05</b>	<b>525.05</b>	<b>524.40</b>	<b>550.70</b>	<b>613.96</b>	<b>651.43</b>	<b>647.56</b>	<b>697.99</b>	<b>10,423.25</b>	-
Maintenance Capital Expenditure	INR Million	(6.92)	(10.14)	(10.84)	(10.85)	(11.39)	(12.68)	(13.45)	(13.35)	(14.39)	(14.44)	-
Brokerage Expenses	INR Million	(5.02)	-	-	(21.48)	(10.71)	(3.29)	-	(17.55)	(27.41)	(13.67)	-
Capital Expenditure	INR Million	(18.29)	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	<b>412.62</b>	<b>480.91</b>	<b>514.21</b>	<b>492.07</b>	<b>528.60</b>	<b>597.99</b>	<b>637.98</b>	<b>616.66</b>	<b>656.19</b>	<b>10,395.14</b>	-
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 31-Mar-23 (INR Million)</b>		<b>6,384</b>										
<b>INR per sq. ft.</b>		<b>27,256</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes





**Spectra**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	257.93	333.42	366.86	359.74	417.91	411.30	448.69	491.99	516.59	542.42	569.54
O&M Income	INR Million	24.23	31.51	33.15	34.80	37.01	38.86	40.80	42.84	44.99	47.23	49.60
Other Income (Telecom)	INR Million	4.09	4.39	4.67	4.94	5.19	5.45	5.72	6.00	6.30	6.62	6.95
<b>Total Income</b>	INR Million	<b>286.25</b>	<b>369.32</b>	<b>404.68</b>	<b>399.49</b>	<b>460.10</b>	<b>455.60</b>	<b>495.21</b>	<b>540.84</b>	<b>567.88</b>	<b>596.27</b>	<b>626.08</b>
<b>Total Income from occupancy</b>	INR Million	<b>286.25</b>	<b>369.32</b>	<b>404.68</b>	<b>399.49</b>	<b>460.10</b>	<b>455.60</b>	<b>495.21</b>	<b>540.84</b>	<b>567.88</b>	<b>596.27</b>	<b>626.08</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(24.26)	(25.47)	(26.74)	(28.08)	(29.49)	(30.96)	(32.51)	(34.13)	(35.84)	(37.63)	(39.51)
Payroll Cost	INR Million	(7.89)	(8.52)	(9.20)	(9.94)	(10.73)	(11.59)	(12.52)	(13.52)	(14.60)	(15.77)	(17.03)
Property Taxes	INR Million	(10.50)	(11.03)	(11.58)	(12.16)	(12.76)	(13.40)	(14.07)	(14.78)	(15.52)	(16.29)	(17.11)
<b>Total Operating Costs</b>	INR Million	<b>(42.65)</b>	<b>(45.02)</b>	<b>(47.52)</b>	<b>(50.18)</b>	<b>(52.98)</b>	<b>(55.95)</b>	<b>(59.10)</b>	<b>(62.43)</b>	<b>(65.96)</b>	<b>(69.69)</b>	<b>(73.65)</b>
<b>Net operating Income</b>	INR Million	<b>243.60</b>	<b>324.30</b>	<b>357.15</b>	<b>349.31</b>	<b>407.12</b>	<b>399.65</b>	<b>436.11</b>	<b>478.41</b>	<b>501.92</b>	<b>526.58</b>	<b>552.43</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	6,905.42	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(69.05)	
<b>Total Net Income</b>	INR Million	<b>243.60</b>	<b>324.30</b>	<b>357.15</b>	<b>349.31</b>	<b>407.12</b>	<b>399.65</b>	<b>436.11</b>	<b>478.41</b>	<b>501.92</b>	<b>7,362.94</b>	
Maintenance Capital Expenditure	INR Million	(3.95)	(6.67)	(7.34)	(7.19)	(8.36)	(8.23)	(8.97)	(9.84)	(10.33)	(10.85)	
Brokerage Expenses	INR Million	(24.81)	(3.59)	-	(12.81)	-	(19.85)	(4.67)	-	(16.35)	-	
Capital Expenditure	INR Million	(15.12)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>199.71</b>	<b>314.04</b>	<b>349.82</b>	<b>329.30</b>	<b>398.76</b>	<b>371.57</b>	<b>422.47</b>	<b>468.57</b>	<b>475.23</b>	<b>7,352.09</b>	
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 31-Mar-23 (INR Million)</b>		<b>4,378</b>										
<b>INR per sq. ft.</b>		<b>22,608</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes



**One Boulevard**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	264.62	271.85	291.33	305.40	309.75	345.54	358.67	383.10	394.36	397.80	449.98
O&M Income	INR Million	20.10	21.35	22.65	23.93	26.94	29.21	30.67	32.20	33.81	35.50	37.27
Other Income (Telecom)	INR Million	2.96	3.14	3.34	3.55	3.78	3.97	4.16	4.37	4.59	4.82	5.06
<b>Total Income</b>	INR Million	<b>287.67</b>	<b>296.34</b>	<b>317.32</b>	<b>332.87</b>	<b>340.47</b>	<b>378.71</b>	<b>393.50</b>	<b>419.67</b>	<b>432.76</b>	<b>438.12</b>	<b>492.31</b>
<b>Total Income from occupancy</b>	INR Million	<b>287.67</b>	<b>296.34</b>	<b>317.32</b>	<b>332.87</b>	<b>340.47</b>	<b>378.71</b>	<b>393.50</b>	<b>419.67</b>	<b>432.76</b>	<b>438.12</b>	<b>492.31</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(17.34)	(18.21)	(19.12)	(20.07)	(21.07)	(22.13)	(23.24)	(24.40)	(25.62)	(26.90)	(28.24)
Payroll Cost	INR Million	(4.32)	(4.67)	(5.04)	(5.45)	(5.88)	(6.35)	(6.86)	(7.41)	(8.00)	(8.64)	(9.34)
Property Taxes	INR Million	(5.79)	(6.08)	(6.39)	(6.71)	(7.04)	(7.39)	(7.76)	(8.15)	(8.56)	(8.99)	(9.44)
<b>Total Operating Costs</b>	INR Million	<b>(27.46)</b>	<b>(28.96)</b>	<b>(30.55)</b>	<b>(32.22)</b>	<b>(34.00)</b>	<b>(35.88)</b>	<b>(37.86)</b>	<b>(39.96)</b>	<b>(42.18)</b>	<b>(44.53)</b>	<b>(47.01)</b>
<b>Net operating Income</b>	INR Million	<b>260.22</b>	<b>267.38</b>	<b>286.77</b>	<b>300.65</b>	<b>306.47</b>	<b>342.84</b>	<b>355.64</b>	<b>379.71</b>	<b>390.58</b>	<b>393.59</b>	<b>445.30</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	5,566.22	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(55.66)	
<b>Total Net Income</b>	INR Million	<b>260.22</b>	<b>267.38</b>	<b>286.77</b>	<b>300.65</b>	<b>306.47</b>	<b>342.84</b>	<b>355.64</b>	<b>379.71</b>	<b>390.58</b>	<b>5,904.15</b>	
Maintenance Capital Expenditure	INR Million	(3.96)	(5.44)	(5.83)	(6.11)	(6.20)	(6.91)	(7.17)	(7.66)	(7.89)	(7.96)	
Brokerage Expenses	INR Million	(2.09)	(3.88)	(4.10)	(4.55)	(12.05)	(2.74)	(5.05)	(5.29)	(5.80)	(15.38)	
Capital Expenditure	INR Million	(8.29)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>245.88</b>	<b>258.06</b>	<b>276.84</b>	<b>289.99</b>	<b>288.23</b>	<b>333.18</b>	<b>343.41</b>	<b>366.76</b>	<b>376.89</b>	<b>5,880.81</b>	
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 31-Mar-23 (INR Million)</b>		<b>3,601</b>										
<b>INR per sq. ft.</b>		<b>33,927</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Ventura A**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	812.53	898.79	953.33	970.44	1,014.25	1,156.49	1,243.21	1,304.17	1,389.34	1,383.67	1,544.93
Parking Income	INR Million	2.39	2.39	2.39	1.94	0.60	0.60	0.60	0.42	-	-	-
O&M Income	INR Million	63.35	67.71	71.40	74.84	80.72	89.91	94.40	98.46	101.76	106.84	112.18
Other Income (Telecom)	INR Million	2.13	2.25	2.36	2.48	2.69	2.82	2.96	3.11	3.27	3.43	3.60
<b>Total Income</b>	INR Million	<b>880.40</b>	<b>971.14</b>	<b>1,029.48</b>	<b>1,049.70</b>	<b>1,098.26</b>	<b>1,249.82</b>	<b>1,341.17</b>	<b>1,406.16</b>	<b>1,494.36</b>	<b>1,493.94</b>	<b>1,660.71</b>
<b>Total Income from occupancy</b>	INR Million	<b>880.40</b>	<b>971.14</b>	<b>1,029.48</b>	<b>1,049.70</b>	<b>1,098.26</b>	<b>1,249.82</b>	<b>1,341.17</b>	<b>1,406.16</b>	<b>1,494.36</b>	<b>1,493.94</b>	<b>1,660.71</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(49.99)	(52.49)	(55.11)	(57.87)	(60.76)	(63.80)	(66.99)	(70.34)	(73.86)	(77.55)	(81.43)
Payroll Cost	INR Million	(17.11)	(18.47)	(19.95)	(21.55)	(23.27)	(25.13)	(27.14)	(29.32)	(31.66)	(34.19)	(36.93)
Property Taxes	INR Million	(20.93)	(21.98)	(23.08)	(24.23)	(25.44)	(26.72)	(28.05)	(29.46)	(30.93)	(32.47)	(34.10)
<b>Total Operating Costs</b>	INR Million	<b>(88.03)</b>	<b>(92.94)</b>	<b>(98.14)</b>	<b>(103.65)</b>	<b>(109.48)</b>	<b>(115.65)</b>	<b>(122.19)</b>	<b>(129.11)</b>	<b>(136.45)</b>	<b>(144.22)</b>	<b>(152.46)</b>
<b>Net operating Income</b>	INR Million	<b>792.37</b>	<b>878.20</b>	<b>931.34</b>	<b>946.05</b>	<b>988.78</b>	<b>1,134.17</b>	<b>1,218.99</b>	<b>1,277.05</b>	<b>1,357.92</b>	<b>1,349.72</b>	<b>1,508.26</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	18,853.21	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(188.53)	
<b>Total Net Income</b>	INR Million	<b>792.37</b>	<b>878.20</b>	<b>931.34</b>	<b>946.05</b>	<b>988.78</b>	<b>1,134.17</b>	<b>1,218.99</b>	<b>1,277.05</b>	<b>1,357.92</b>	<b>20,014.39</b>	
Maintenance Capital Expenditure	INR Million	(12.08)	(18.02)	(19.11)	(19.45)	(20.30)	(23.14)	(24.88)	(26.09)	(27.79)	(27.67)	
Brokerage Expenses	INR Million	(5.79)	(4.08)	-	(19.40)	(60.17)	(5.60)	(5.30)	(8.74)	(25.84)	(76.79)	
Capital Expenditure	INR Million	(32.78)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>741.73</b>	<b>856.10</b>	<b>912.22</b>	<b>907.20</b>	<b>908.32</b>	<b>1,105.43</b>	<b>1,188.80</b>	<b>1,242.21</b>	<b>1,304.29</b>	<b>19,909.93</b>	
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 31-Mar-23 (INR Million)</b>		<b>12,001</b>										
<b>INR per sq. ft.</b>		<b>28,584</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Cashflows Under Construction Development**

**Ventura A – 1<sup>st</sup> floor (part)**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Dec-23	01-Apr-24 31-Dec-24	01-Apr-25 31-Dec-25	01-Apr-26 31-Dec-26	01-Apr-27 31-Dec-27	01-Apr-28 31-Dec-28	01-Apr-29 31-Dec-29	01-Apr-30 31-Dec-30	01-Apr-31 31-Dec-31	01-Apr-32 31-Dec-32	01-Apr-33 31-Dec-33
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	46.3	50.4	52.0	56.4	56.4	58.2	63.2	63.2	65.2	70.8	70.8
O&M income	INR Million	3.60	3.60	3.71	4.03	4.03	4.16	4.51	4.51	4.66	5.06	5.06
<b>Total Income</b>	<b>INR Million</b>	<b>49.9</b>	<b>54.0</b>	<b>55.7</b>	<b>60.5</b>	<b>60.5</b>	<b>62.4</b>	<b>67.7</b>	<b>67.7</b>	<b>69.9</b>	<b>75.9</b>	<b>75.9</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>49.9</b>	<b>54.0</b>	<b>55.7</b>	<b>60.5</b>	<b>60.5</b>	<b>62.4</b>	<b>67.7</b>	<b>67.7</b>	<b>69.9</b>	<b>75.9</b>	<b>75.9</b>
<b>OPERATING COSTS</b>												
O&M cost	INR Million	(2.18)	(2.29)	(2.41)	(2.53)	(2.65)	(2.78)	(2.92)	(3.07)	(3.22)	(3.38)	(3.55)
Payroll Cost	INR Million	(0.75)	(0.81)	(0.87)	(0.94)	(1.02)	(1.10)	(1.18)	(1.28)	(1.38)	(1.49)	(1.61)
Property Taxes	INR Million	(0.91)	(0.96)	(1.01)	(1.06)	(1.11)	(1.17)	(1.22)	(1.29)	(1.35)	(1.42)	(1.49)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(3.8)</b>	<b>(4.1)</b>	<b>(4.3)</b>	<b>(4.5)</b>	<b>(4.8)</b>	<b>(5.0)</b>	<b>(5.3)</b>	<b>(5.6)</b>	<b>(6.0)</b>	<b>(6.3)</b>	<b>(6.7)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>46.10</b>	<b>49.94</b>	<b>51.42</b>	<b>55.96</b>	<b>55.70</b>	<b>57.35</b>	<b>62.40</b>	<b>62.10</b>	<b>63.92</b>	<b>69.57</b>	<b>69.21</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	865.1	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(8.7)	-
<b>Total Net income</b>	<b>INR Million</b>	<b>46.1</b>	<b>49.9</b>	<b>51.4</b>	<b>56.0</b>	<b>55.7</b>	<b>57.3</b>	<b>62.4</b>	<b>62.1</b>	<b>63.9</b>	<b>926.1</b>	
Maintenance Capex	INR Million	(0.8)	(1.0)	(1.0)	(1.1)	(1.1)	(1.2)	(1.3)	(1.3)	(1.3)	(1.4)	
Capital expenditure - upgradation	INR Million	(30.6)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>15.4</b>	<b>49.9</b>	<b>51.4</b>	<b>56.0</b>	<b>55.7</b>	<b>57.3</b>	<b>62.4</b>	<b>62.1</b>	<b>63.9</b>	<b>926.1</b>	
Discount Rate		<b>11.75%</b>										
NPV as on 31-Mar-23 (INR Million)		<b>581</b>										
INR/ sq.ft. of leasable area		<b>31,715</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.

The refurbishment work on the 1st floor (part) of 17,878 sq. ft. leasable area has been completed and approvals from relevant authorities are pending. Hence, for the purpose of valuation, we have considered as that of the operational portion of Ventura A.



**Ventura A – 10<sup>th</sup> floor**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	-	91.4	121.9	128.0	134.4	129.4	138.9	159.3	167.3	175.7	184.5
O&M income	INR Million	1.06	8.87	9.32	9.78	10.27	10.79	11.33	11.89	12.49	13.11	13.77
Other operating income	INR Million											
<b>Total Income</b>	<b>INR Million</b>	<b>1.1</b>	<b>100.3</b>	<b>131.3</b>	<b>137.8</b>	<b>144.7</b>	<b>140.2</b>	<b>150.2</b>	<b>171.2</b>	<b>179.8</b>	<b>188.8</b>	<b>198.2</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1.1</b>	<b>100.3</b>	<b>131.3</b>	<b>137.8</b>	<b>144.7</b>	<b>140.2</b>	<b>150.2</b>	<b>171.2</b>	<b>179.8</b>	<b>188.8</b>	<b>198.2</b>
<b>OPERATING COSTS</b>												
O&M cost	INR Million	(3.52)	(7.40)	(7.77)	(8.16)	(8.56)	(8.99)	(9.44)	(9.91)	(10.41)	(10.93)	(11.47)
Payroll Cost	INR Million	(1.17)	(2.48)	(2.68)	(2.89)	(3.12)	(3.37)	(3.64)	(3.93)	(4.25)	(4.59)	(4.96)
Property Taxes	INR Million	(1.40)	(2.95)	(3.10)	(3.25)	(3.41)	(3.59)	(3.77)	(3.95)	(4.15)	(4.36)	(4.58)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(6.1)</b>	<b>(12.8)</b>	<b>(13.5)</b>	<b>(14.3)</b>	<b>(15.1)</b>	<b>(15.9)</b>	<b>(16.8)</b>	<b>(17.8)</b>	<b>(18.8)</b>	<b>(19.9)</b>	<b>(21.0)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>(5.04)</b>	<b>87.43</b>	<b>117.72</b>	<b>123.52</b>	<b>129.61</b>	<b>124.25</b>	<b>133.36</b>	<b>153.44</b>	<b>160.99</b>	<b>168.92</b>	<b>177.22</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	2,215.3	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(22.2)	-
<b>Total Net income</b>	<b>INR Million</b>	<b>(5.0)</b>	<b>87.4</b>	<b>117.7</b>	<b>123.5</b>	<b>129.6</b>	<b>124.3</b>	<b>133.4</b>	<b>153.4</b>	<b>161.0</b>	<b>2,362.1</b>	
Maintenance Capex	INR Million	-	(1.8)	(2.4)	(2.6)	(2.7)	(2.6)	(2.8)	(3.2)	(3.3)	(3.5)	
Brokerage Expenses	INR Million	(9.3)	(9.9)	-	-	-	(6.1)	(6.4)	-	-	-	
Capital expenditure - upgradation	INR Million	(94.3)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>(108.6)</b>	<b>77.5</b>	<b>117.7</b>	<b>123.5</b>	<b>129.6</b>	<b>118.1</b>	<b>126.9</b>	<b>153.4</b>	<b>161.0</b>	<b>2,362.1</b>	
Discount Rate	<b>13.00%</b>											
NPV as on 31-Mar-23 (INR Million)	<b>1,126</b>											
INR/ sq.ft. of leasable area	<b>19,988</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes



**Consolidated**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	4,671.50	4,951.40	5,737.67	5,810.24	6,220.63	6,706.87	7,117.72	7,631.50	8,082.99	8,366.38	9,051.47
Parking Income	INR Million	7.63	3.24	3.27	2.43	0.78	0.79	0.80	0.42	-	-	-
ATM Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
O&M Income	INR Million	380.35	413.23	456.81	479.88	509.40	543.61	578.86	612.12	642.32	674.59	708.07
Other Income (Telecom)	INR Million	29.19	31.16	33.01	34.94	36.99	38.84	40.78	42.82	44.96	47.21	49.57
<b>Total Income</b>	INR Million	<b>5,088.67</b>	<b>5,399.04</b>	<b>6,230.77</b>	<b>6,327.48</b>	<b>6,767.81</b>	<b>7,290.11</b>	<b>7,738.16</b>	<b>8,286.86</b>	<b>8,770.27</b>	<b>9,088.18</b>	<b>9,809.11</b>
<b>Total Income from occupancy</b>	INR Million	<b>5,088.67</b>	<b>5,399.04</b>	<b>6,230.77</b>	<b>6,327.48</b>	<b>6,767.81</b>	<b>7,290.11</b>	<b>7,738.16</b>	<b>8,286.86</b>	<b>8,770.27</b>	<b>9,088.18</b>	<b>9,809.11</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(321.61)	(341.39)	(358.46)	(376.38)	(395.20)	(414.96)	(435.71)	(457.50)	(480.37)	(504.39)	(529.61)
Payroll Cost	INR Million	(110.08)	(120.10)	(129.71)	(140.09)	(151.29)	(163.40)	(176.47)	(190.58)	(205.83)	(222.30)	(240.08)
Property Taxes	INR Million	(158.99)	(168.42)	(176.84)	(185.68)	(194.97)	(204.71)	(214.95)	(225.70)	(236.98)	(248.83)	(261.27)
Property Management Fee	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Costs</b>	INR Million	<b>(590.69)</b>	<b>(629.91)</b>	<b>(665.01)</b>	<b>(702.15)</b>	<b>(741.46)</b>	<b>(783.07)</b>	<b>(827.13)</b>	<b>(873.78)</b>	<b>(923.19)</b>	<b>(975.52)</b>	<b>(1,030.97)</b>
<b>Net operating income</b>	INR Million	<b>4,497.98</b>	<b>4,769.12</b>	<b>5,565.76</b>	<b>5,625.33</b>	<b>6,026.34</b>	<b>6,507.03</b>	<b>6,911.03</b>	<b>7,413.07</b>	<b>7,847.08</b>	<b>8,112.66</b>	<b>8,778.15</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	1,09,727	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(1,097)	-
Fit Out Income	INR Million	2.62	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	INR Million	<b>4,500.60</b>	<b>4,769.12</b>	<b>5,565.76</b>	<b>5,625.33</b>	<b>6,026.34</b>	<b>6,507.03</b>	<b>6,911.03</b>	<b>7,413.07</b>	<b>7,847.08</b>	<b>1,16,742.23</b>	
Maintenance Capital Expenditure	INR Million	(66.74)	(99.09)	(114.82)	(116.25)	(124.43)	(134.15)	(142.37)	(152.64)	(161.66)	(167.33)	
Brokerage Expenses	INR Million	(103.88)	(97.86)	(28.07)	(108.12)	(121.70)	(92.09)	(167.65)	(107.91)	(139.07)	(155.33)	
Capital Expenditure	INR Million	(572.21)	(240.02)	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>3,757.77</b>	<b>4,332.15</b>	<b>5,422.87</b>	<b>5,400.96</b>	<b>5,780.21</b>	<b>6,280.79</b>	<b>6,601.01</b>	<b>7,152.53</b>	<b>7,546.35</b>	<b>1,16,419.58</b>	
Discount Rate for completed	<b>11.75%</b>											
Discount Rate for under construction	<b>13.00%</b>											
Warmshell Property Value												
NPV INR Million	<b>69,015</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes



**Annexure 2: Sensitivity Analysis**

The valuer has analyzed the NOI profile for the subject properties over the valuation period, i.e. 10 years.

NOI Profile	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28	01-Apr-29	01-Apr-30	01-Apr-31	01-Apr-32	01-Apr-33	Total
Property	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	
Alpha	180	223	236	252	250	252	279	300	316	311	348	2,947
CRISIL House	357	61	493	546	573	601	634	672	706	740	777	6,160
Delphi	666	710	742	761	820	913	977	1,030	1,070	1,093	1,202	9,982
Fairmont	511	457	518	525	583	613	580	686	695	755	792	6,713
Winchester	1,004	1,220	1,307	1,242	1,363	1,456	1,583	1,728	1,887	2,006	2,121	16,918
Prudential	443	491	525	524	551	614	651	648	698	699	786	6,630
Spectra	244	324	357	349	407	400	436	478	502	527	552	4,577
One Boulevard	260	267	287	301	306	343	356	380	391	394	445	3,729
Ventura A	792	878	931	946	989	1,134	1,219	1,277	1,358	1,350	1,508	12,383
Ventura 1st UC	46	50	51	56	56	57	62	62	64	70	69	644
Ventura 10th UC	-5	87	118	124	130	124	133	153	161	169	177	1,371
<b>Total Net Operating Income (NOI)</b>	<b>4,498</b>	<b>4,769</b>	<b>5,566</b>	<b>5,625</b>	<b>6,026</b>	<b>6,507</b>	<b>6,911</b>	<b>7,413</b>	<b>7,847</b>	<b>8,113</b>	<b>8,778</b>	<b>72,054</b>
<b>NOI Loss due to Rent Free Periods</b>	<b>258</b>	<b>251</b>	<b>101</b>	<b>278</b>	<b>280</b>	<b>190</b>	<b>263</b>	<b>161</b>	<b>128</b>	<b>257</b>	<b>0</b>	<b>2,166</b>
<b>Total NOI with no Rent Free Periods</b>	<b>4,756</b>	<b>5,020</b>	<b>5,667</b>	<b>5,903</b>	<b>6,306</b>	<b>6,697</b>	<b>7,174</b>	<b>7,574</b>	<b>7,975</b>	<b>8,370</b>	<b>8,778</b>	<b>74,220</b>

Note:

1. Total Net Operating Income (NOI) represents the NOI as per our valuation
2. NOI Loss due to Rent Free Periods represents the loss in NOI due to the contractual rent free periods for existing leases and the rent free periods as per market terms for the leasing considered for vacant spaces and existing lease rollovers
3. Total NOI with no Rent-Free Periods represents the grossed up NOI considering that there were no rent free periods for any existing lease or their respective rollovers or leasing activity considered for the vacant spaces



The valuer has also analyzed the potential 1-Year-Forward Net Operating Income for the subject properties considering if the subject properties were fully leased (100% occupancy) as at the date of valuation (hereinafter referred to as “Full Potential NOI”).

Full potential NOI for the subject properties have been computed by considering the following:

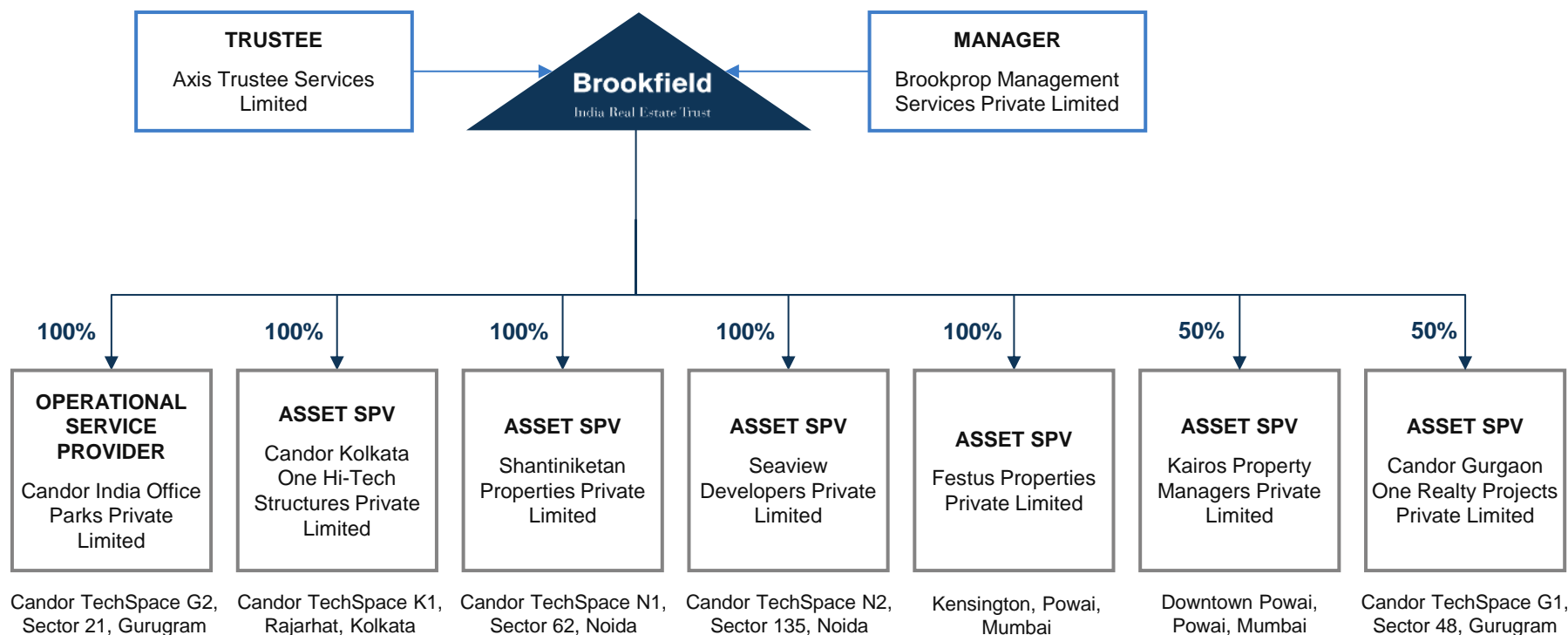
1. Properties are considered as completely leased (100% occupancy) with
  - a. Existing leases leased at contractual terms,
  - b. Vacant spaces and rollovers upon expiry of existing leases to be leased at market terms
2. No contractual rent-free periods
3. No rent-free period for fresh leases or term renewals / rollovers of existing leases
4. 0% stabilised vacancy

Estimated full potential NOI for FY 2024 is approximately INR 5,171 million





**Annexure 3: Ownership Structure**



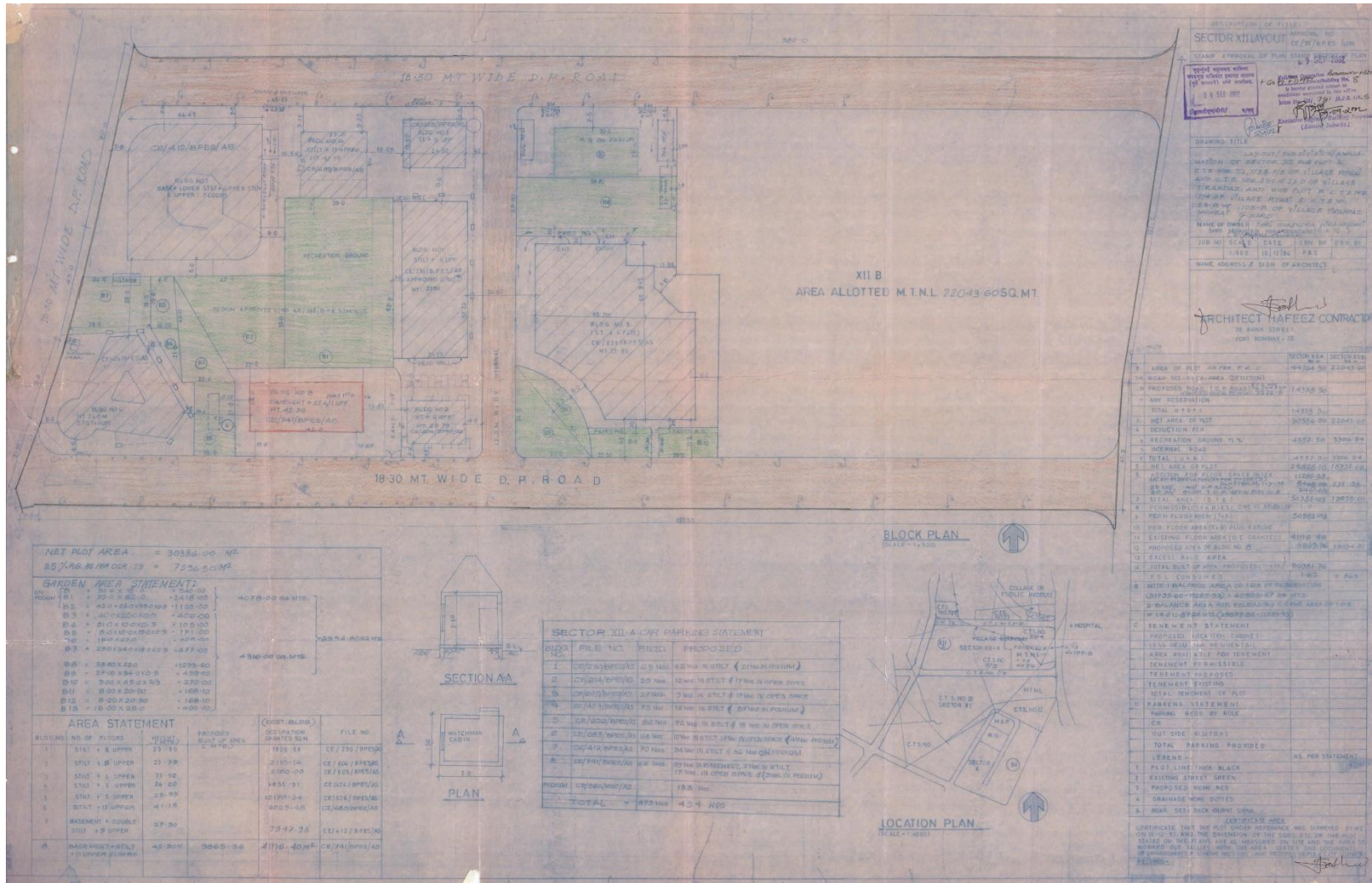
**Notes:**

4. By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from May 4 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020
5. The Call Option SPVs are proposed to be acquired by the Brookfield India REIT in the future, subsequent to the listing of our units, pursuant to the Call Option Agreements. For further details on the Call Option Agreements, see “Key Terms of the Formation Transactions”



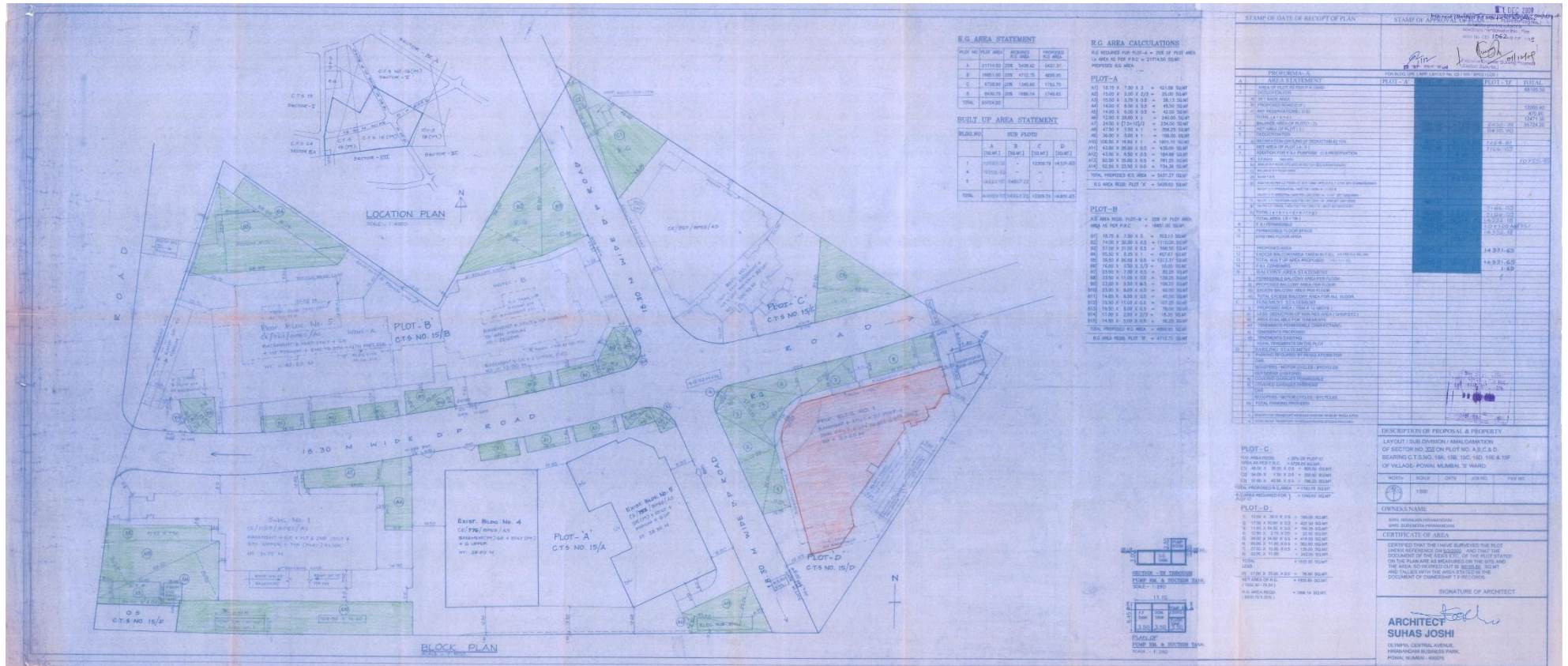
**Annexure 4: Site Layout (Complete & Future Development)**

**Alpha**





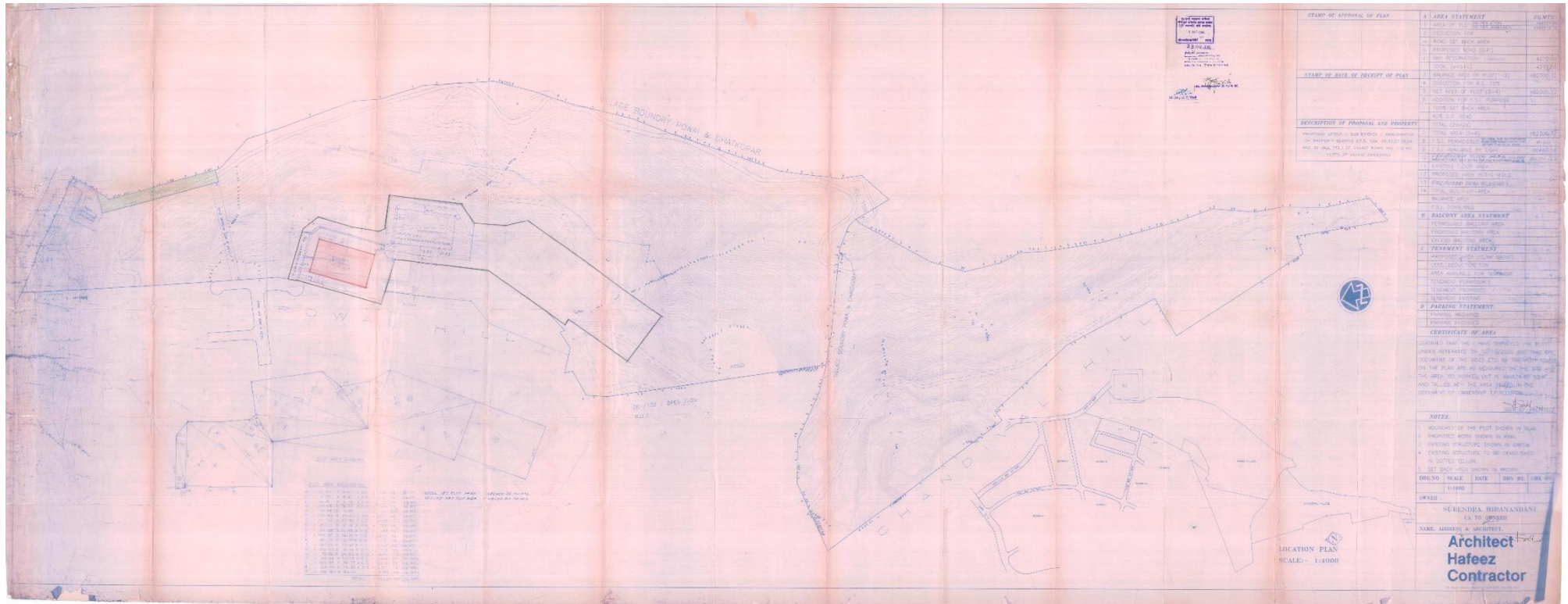
**CRISIL House**





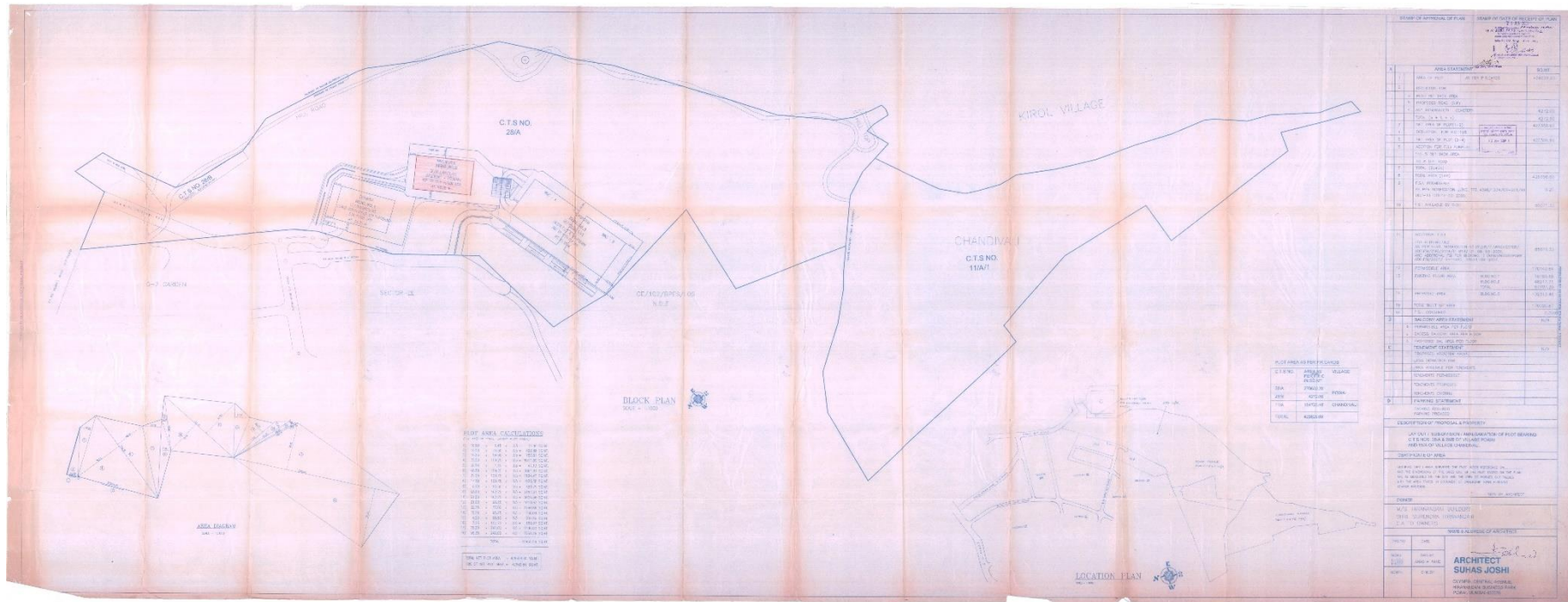


Fairmont





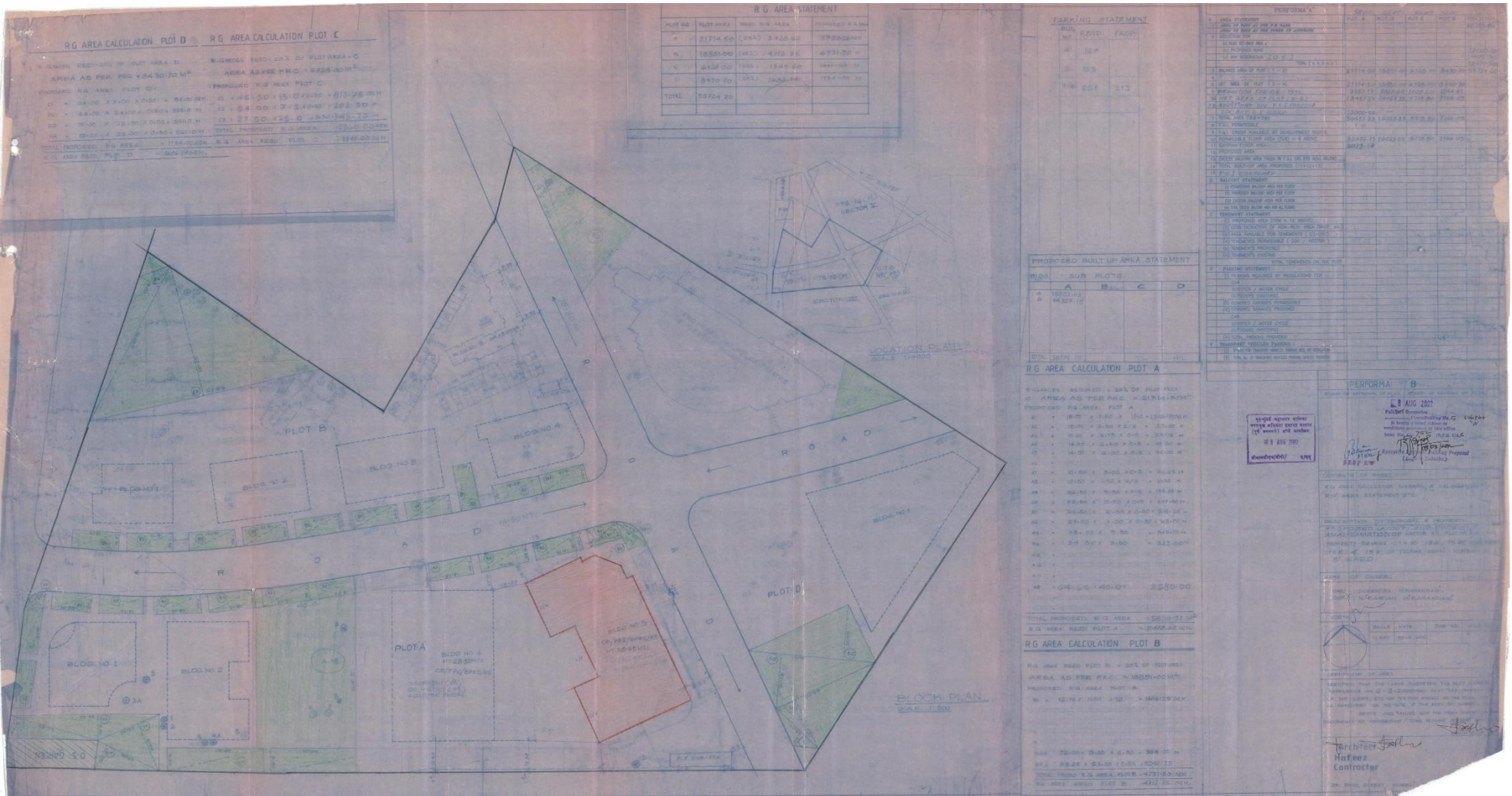
**Winchester**







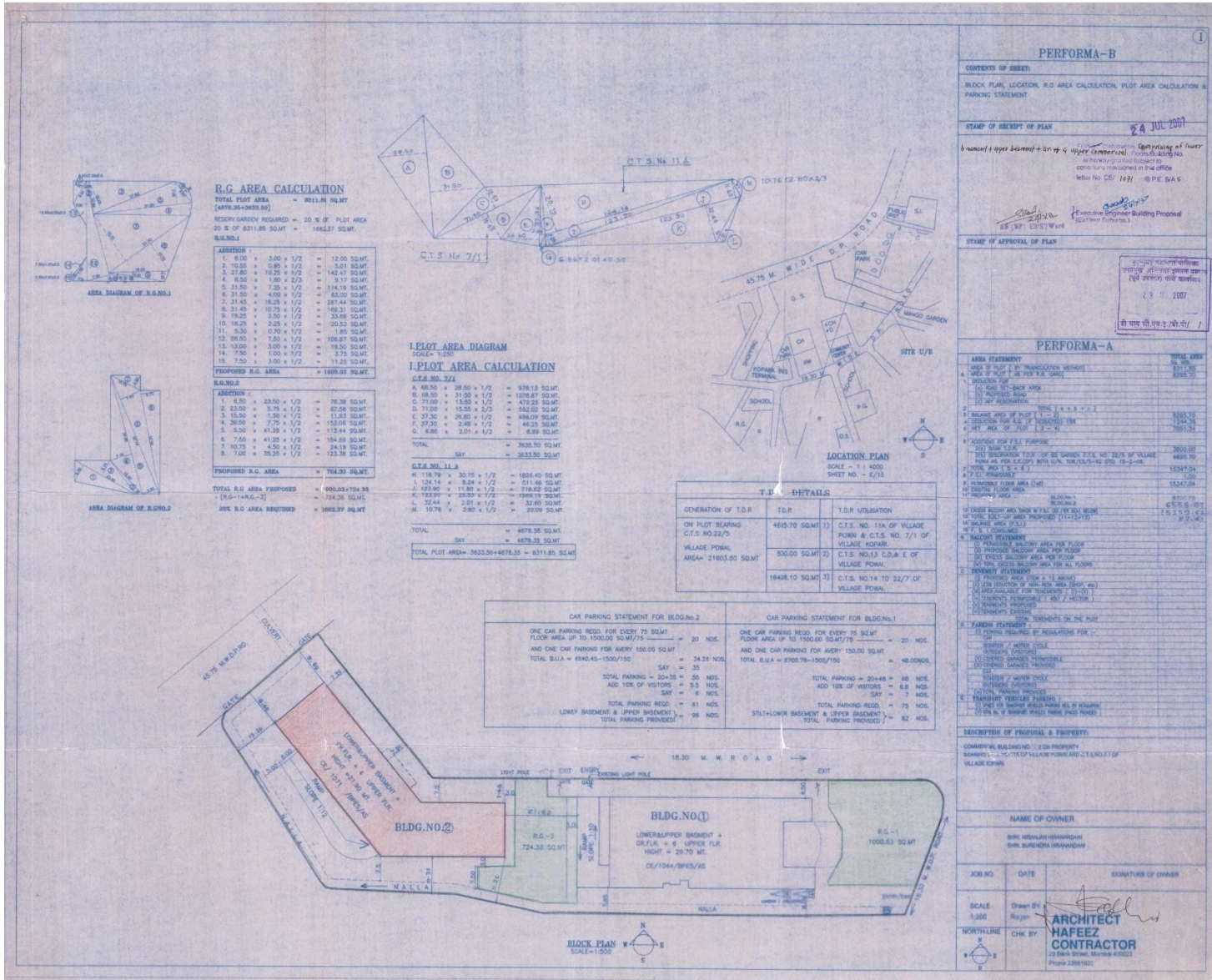
Spectra





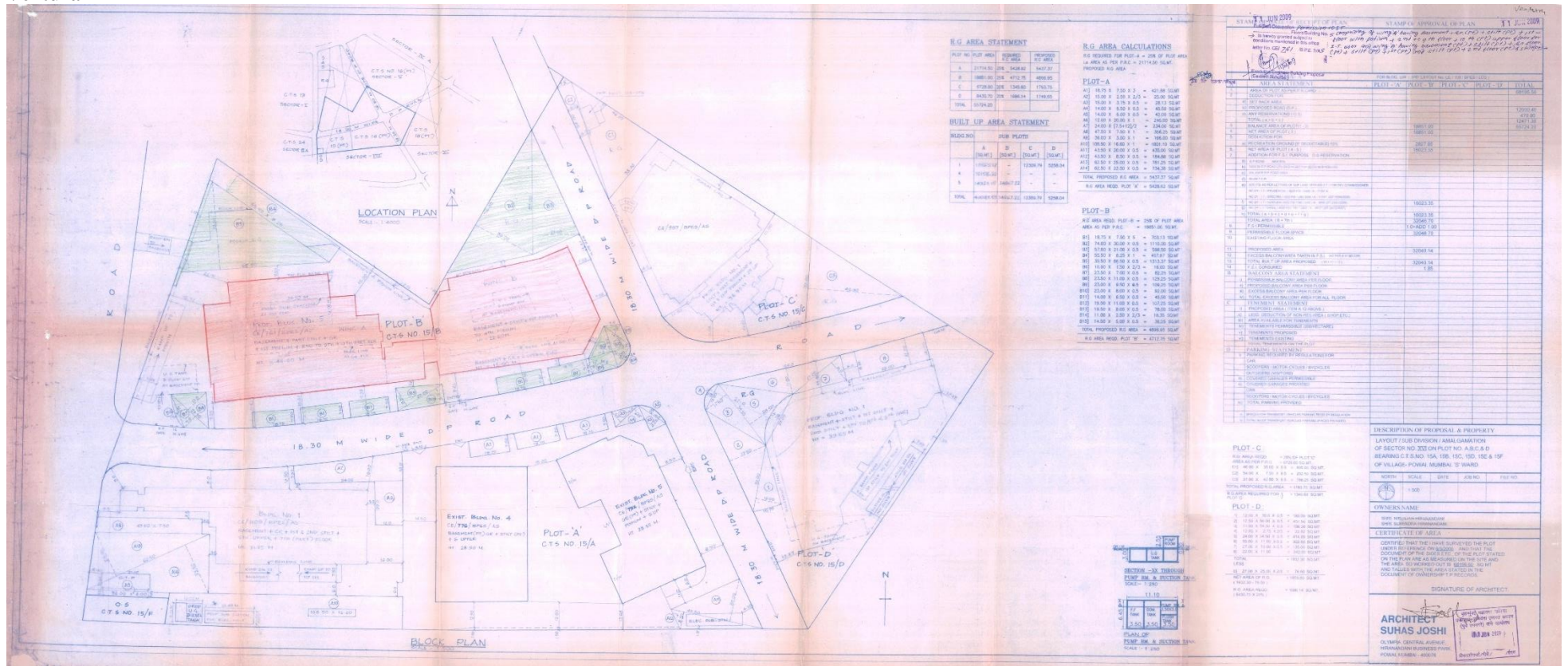


**One Boulevard**





Ventura A



Annexure 5: Property Photographs



View of CRISIL House



View of Delphi



View of Winchester



View of Prudential



View of Fairmont



View of Ventura



View of Alpha



View of Spectra



View of One Boulevard



**Annexure 6: Statement of Assets**

Sr.No.	Equipment Name	Description	Serial No.	Site	Location	Model No.	AMC Vendor Name
1	Water Pump	Domestic Water Pump	A3C4400163/64	Prudential	Pump room	KDS-1085+	
2	Fire Fighting System	Main Fire Hydrant Pump	10216020680	Prudential	Pump room	2183A0440/0100	VL ASTRA
3	Fire Fighting System	Booster Pump with Motor	A3C3300601	Prudential	Terrace	KDS-844++	VL ASTRA
4	Fire Alarm System	Fire Alarm panel	2K150711	Prudential	Electrical Room & Pump Room	CD 32 LC-16 Z.1	Technocrats Security Systems Pvt Ltd.
5	DG	DG	07/1104/00178	Prudential	Podium	PTS/CF31-01	Cummins India Ltd
6	Elevator	Elevator-Passanger	AM402841/AM502858/AM402848/AM402917/AM402847/AM402860	Prudential	Ground to 6th Floor	EM10082-06	Mitsubishi Elevator India Pvt Ltd
7	Electrical Panel	Change Over Switch Metering Panel	SC002421	Prudential	Pump room		Konkan Electric
8	Electrical Panel	ATS Panel	NA	Prudential	Pump Room		Konkan Electric
9	Electrical Panel	Common Services Panel	NA	Prudential	Meter Room		Konkan Electric
10	HVAC	Vrf System	78P00328	Prudential	202-Credit Suisse	PUCY-P450YKA <G>	DLS Aircon
11	HVAC	Vrf System	78P00248	Prudential	202-Credit Suisse	PUCY-P350YKA <G>	DLS Aircon
12	HVAC	Vrf System	78P00260	Prudential	202-Credit Suisse	PUCY-P300YKA <G>	DLS Aircon
13	HVAC	Vrf System	77P00171	Prudential	202-Credit Suisse	PUCY-P500YKA <G>	DLS Aircon
14	HVAC	Vrf System	77P00252	Prudential	202-Credit Suisse	PUCY-P500YKA <G>	DLS Aircon
15	HVAC	Vrf System	17145401	Prudential	202-Credit Suisse	ZDS-150	DLS Aircon
16	HVAC	Vrf System	17145400	Prudential	202-Credit Suisse	ZDS-150	DLS Aircon
17	HVAC	Vrf System	NA	Prudential	202-Credit Suisse		DLS Aircon
18	Water Pump	Flushing Water Pump-1	A20ASK000502	Prudential	Pump Room	KDS 1040+, 10 hp, 3 phase	
19	Water Pump	Flushing water Pump-2	A20ASK000499	Prudential	Pump Room	KDS 1040+, 10 hp, 3 phase	
20	Water Pump	Domestic water Pump-2	A20ASK000501	Prudential	Pump Room	KDS 1040+, 10 hp, 3 phase	
21	Domestic water Pump	Water Pump	A20LCW000064	Prudential	Citipark	KDT-1372	
22	Fire Fighting System	Main Fire Hydrant Pump	10216010114	Spectra	Pump room	2182A0010/26.0	VL ASTRA
23	Fire Fighting System	Main Fire Hydrant Jockey Pump	A9F4200866	Spectra	Pump room	KDD-1388+	VL ASTRA
24	Fire Fighting System	Booster Pump with Motor	A2C3300456	Spectra	Terrace	KDS-844++	VL ASTRA
25	Fire Alarm System	Fire Alarm Panel	2K150713	Spectra	Electrical Room & Gym Staircase	CD 32 LC-16 Z.1	Technocrats Security Systems Pvt Ltd.
26	DG	DG	07/1106/00617	Spectra	Podium	PTS/NF18-01	Cummins India Ltd
27	Elevator	Elevator-Passanger	1145399/400/401/1145708	Spectra	Ground to 6th Floor	S500	SCHINDLER INDIA PRIVATE LIMITED
28	HVAC	Split AC	IDU- 4551295A7LC09844 & ODU- 4512258E18DC02006	Spectra	PM office	123CZA	Gewinner Engineering Technish Private Limited
29	HVAC	Air Conditioner	IDU- 455201A18AC13015 & ODU- 4512265D18D809222	Spectra	CCTV Control Room	183CZA	Gewinner Engineering Technish Private Limited
30	Electrical Panel	Change Over Switch Metering Panel	5463007	Spectra	Pump room	732	Konkan Electric
31	Electrical Panel	ATS Panel	NA	Spectra	Pump room		Konkan Electric
32	Electrical Panel	Common Services Panel	NA	Spectra	Meter Room		Konkan Electric
33	Electrical Panel	ATS Panel	9205236	Spectra	Meter Room	ER300P	Konkan Electric
34	Water Pump	Flushing Water Tank-1	A20AVP000411	Spectra	Pump Room		
35	Water Pump	Flushing Water Tank-2	A20AVP000852	Spectra	Pump Room		
36	Water Pump	Domestic Water Tank-1	A20AVP000588	Spectra	Pump Room		
37	Domestic water Pump	Water Pump	A20LCW000005	Spectra	Citipark	KDT-1372	
65	Fire Fighting System	Main Fire Hydrant Pump	10220090590	Crisil	Pump Room	G21810A530/00	VL ASTRA
66	Fire Fighting System	Main Fire Sprinkler Pump	10220090662	Crisil	Pump Room	G21810A530/00	VL ASTRA
67	Fire Fighting System	Main Fire Hydrant Jockey Pump	18304090068	Crisil	Pump Room	E21110A518/200	VL ASTRA
68	Fire Fighting System	Main Fire Sprinkler Jockey Pump	10304090067	Crisil	Pump Room	E21110A518/200	VL ASTRA
69	Fire Fighting System	Diesel Pump	723009292	Crisil	Pump Room	E21110A527/0200	Omkar FIRE
70	Fire Fighting System	Booster Pump with Motor	NA	Crisil	Terrace		
71	Water Pump	Domestic Water Pump	A0LBHG0043/5	Crisil	Pump Room	KDT -864+	
72	Water Pump	Flushing Water Pump	A0LCWG0006 & A9LCWJ0027	Crisil	Pump Room	KDT -1322+	
73	Water Treatment Plant	Pump No.1	1	Crisil	Pump Room	A96568571P11006	
74	Water Treatment Plant	Pump No.2	1	Crisil	Pump Room	A96568571P11009	
75	Water Treatment Plant	Softner	NA	Crisil	Pump Room	IW0808453	
76	Water Treatment Plant	Sand Filter	NA	Crisil	Pump Room	IW1002103	
77	Water Treatment Plant	Carbon Filter	NA	Crisil	Pump Room	IW1002108	
78	Water Treatment Plant	Dosing Pump	NA	Crisil	Pump Room	IMP 1.54	
79	Water Treatment Plant	Dosing Water Tank	NA	Crisil	Pump Room		
80	UPS	UPS	X02010200020	Crisil	Meter Room	MPS-20000	Accutech Power Solutions
81	Elevator	Elevator-Passanger	SAB309D43-06/SAB309D24-01/SAB309D43-04/SAB309D24-02/SAB309I02-01/SAB309A43-03	Crisil	Basement to 9th floor	SCH-100PLUS	SCHINDLER INDIA PRIVATE LIMITED
82	Elevator	Elevator-Service	SAB309052 - 01 - 5	Crisil	Basement to 9th floor	SCH-100PLUS	SCHINDLER INDIA PRIVATE LIMITED
83	Electrical Panel	Changeover Panel (Fire & Ventilation)	9204978	Crisil	Meter Room		Konkan Electric
84	Electrical Panel	Common Services Panel	2274-07/2009	Crisil	Meter Room		Konkan Electric
85	Split AC	Split AC	BI-FS3118AATU/BO-FS3118AATU	Crisil	BMS Room	FS3118AATU	Gewinner Engineering Technish Private Limited
86	Fire Fighting System	Main Fire Hydrant Pump	1782308120	Ventura	Pump Room-1	218988230/0080	VL ASTRA
87	Fire Fighting System	Main Fire Sprinkler Pump	1782308004	Ventura	Pump Room-1	2189A9950/0080	VL ASTRA
88	Fire Fighting System	Jockey Pump with Motor	18304080169	Ventura	Pump Room-1	2189A8820/0180	VL ASTRA
89	Fire Fighting System	Diesel Pump	1723008495	Ventura	Pump Room-1	2189A8560/0070	Omkar FIRE
90	Fire Fighting System	Booster Pump with Motor	NA	Ventura	Terrace	KDS 844++	VL ASTRA
91	Water Pump	Domestic Water Pump (HYD)	A9LFE00017	Ventura	Pump Room-1	KDT-2095+	GRUNDFOS PUMPS INDIA PRIVATE LIMITED
92	Water Pump	Flushing Water Pump (HYD)	A9LFE00008	Ventura	Pump Room-1	KDT-2095+	GRUNDFOS PUMPS INDIA PRIVATE LIMITED
93	Water Pump	Raw Water Pump	A9A1G11395	Ventura	Pump Room-1	KDS-325++	GRUNDFOS PUMPS INDIA PRIVATE LIMITED
94	UPS	UPS	NA	Ventura	BMS Room	GSTMT+1KL	
95	Inverter	Inverter	NA	Ventura	Meter Room-2	MPS 20000	
96	HVAC	Air Conditioner	IDU-4552201A18AC13838 & ODU-4512265D18D809196	Ventura	Helpdesk	183CZA	
97	DOL Startrer	DOL Startrer	3TH42-90-0A	Ventura	Pump Room-1		
98	DG	DG	07/0905/00419	Ventura	Podium	PTS/KF14-01	Cummins India Ltd
99	Elevator	Elevator-Passanger-High Rise	102110619/20/21/22/23	Ventura	Basement to 10th Floor		Kone Elevators India Pvt Ltd
100	Elevator	Elevator-Passanger-Low Rise	102111626/27/102932694/96/97/99	Ventura	Basement to 5th Floor		Kone Elevators India Pvt Ltd
101	Elevator	Elevator-Service	103039012/13	Ventura	Basement to 9th Floor		Kone Elevators India Pvt Ltd
102	Elevator	Elevator-Studio- Nitin Desai	NA	Ventura	Basement to 2nd Floor		Kone Elevators India Pvt Ltd
103	Elevator	Elevator- Harris Bar & Sigr	NA	Ventura	Ground to 2nd Floor		Kone Elevators India Pvt Ltd
104	Electrical Panel	Emergency Lighting Panel	NA	Ventura	Meter Room-2		Konkan Electric
105	Electrical Panel	Common Services Panel	NA	Ventura	Meter Room-2		Konkan Electric
106	Electrical Panel	Changeover & Metering Panel (Fire Pump)	8266371	Ventura	Meter Room-2		Konkan Electric



Sr.No.	Equipment Name	Description	Serial No.	Site	Location	Model No.	AMC Vendor Name
107	Electrical Panel	Changeover & Metering Panel (Common Service)	8266299	Ventura	Meter Room-2		Konkan Electric
108	Electrical Panel	Common Services Panel	NA	Ventura	Meter Room-2		Konkan Electric
109	Water pumps	Flushing pump water level controller	NA	Ventura	Pump room 1		GRUNDFOS PUMPS INDIA PRIVATE LIMITED
110	1.5 Ton Ac indoor unit	split Ac for cooling purpose of PA rack	9030193	Ventura	BMS room	FTL50TV16U3	Gewinner Engineering Technish Private Limited
111	1.5 Ton Ac outdoor unit	split Ac for cooling purpose of PA rack	9030193	Ventura	BMS room	RL50TV16U3	Gewinner Engineering Technish Private Limited
112	1.5 Ton Ac indoor unit	split Ac for cooling purpose of PA rack	4552201A18Ac13838	Ventura	BMS room	Voltas EU183CZA	Gewinner Engineering Technish Private Limited
113	1.5 Ton Ac outdoor unit	split Ac for cooling purpose of PA rack	4512265C57925KH1	Ventura	BMS room	Voltas EU183CZA	Gewinner Engineering Technish Private Limited
114	HVAC	Air Conditioner	NA	Delphi	A Wing 303-304		Gewinner Engineering Technish Private Limited
115	HVAC	Air Conditioner	NA	Delphi	A Wing 303-304		Gewinner Engineering Technish Private Limited
116	HVAC	Air Conditioner	NA	Delphi	A Wing 303-304		Gewinner Engineering Technish Private Limited
117	HVAC	Air Conditioner	NA	Delphi	A Wing 303-304		Gewinner Engineering Technish Private Limited
118	HVAC	Air Conditioner	NA	Delphi	A Wing 303-304		Gewinner Engineering Technish Private Limited
119	HVAC	Air Conditioner	NA	Delphi	B Wing 304 & C Wing 301		Gewinner Engineering Technish Private Limited
120	HVAC	Air Conditioner	NA	Delphi	B Wing 304 & C Wing 301		Gewinner Engineering Technish Private Limited
121	HVAC	Air Conditioner	NA	Delphi	B Wing 304 & C Wing 301		Gewinner Engineering Technish Private Limited
122	HVAC	Air Conditioner	NA	Delphi	B Wing 304 & C Wing 301		Gewinner Engineering Technish Private Limited
123	HVAC	Air Conditioner	NA	Delphi	B Wing 304 & C Wing 301		Gewinner Engineering Technish Private Limited
124	HVAC	Air Conditioner	NA	Delphi	B Wing 304 & C Wing 301		Gewinner Engineering Technish Private Limited
125	HVAC	Air Conditioner	NA	Delphi	C Wing 402-404		Gewinner Engineering Technish Private Limited
126	HVAC	Air Conditioner	NA	Delphi	C Wing 402-404		Gewinner Engineering Technish Private Limited
127	HVAC	Air Conditioner	NA	Delphi	A Wing 203-204		Gewinner Engineering Technish Private Limited
128	HVAC	Air Conditioner	NA	Delphi	A Wing 203-204		Gewinner Engineering Technish Private Limited
129	HVAC	Air Conditioner	NA	Delphi	A Wing 203-204		Gewinner Engineering Technish Private Limited
130	HVAC	Air Conditioner	NA	Delphi	A Wing 203-204		Gewinner Engineering Technish Private Limited
131	HVAC	Air Conditioner	NA	Delphi	A Wing 203-204		Gewinner Engineering Technish Private Limited
132	HVAC	Air Conditioner	NA	Delphi	A Wing 203-204		Gewinner Engineering Technish Private Limited
133	HVAC	Air Conditioner	NA	Delphi	A Wing 203-204		Gewinner Engineering Technish Private Limited
134	HVAC	Air Conditioner	NA	Delphi	BMS Room		Gewinner Engineering Technish Private Limited
135	HVAC	Split AC	IDU-4552201A18AC11390 & ODU-4512265D18DB09237	Delphi	PM office	183CZA	Gewinner Engineering Technish Private Limited
136	Fire Fighting System	Main Fire Hydrant Pump	10216040036	Delphi	Pump Room	2184A253W	VL ASTRA
137	Fire Fighting System	Main Fire Hydrant Jockey Pump	A7F4200015	Delphi	Pump Room	KDT1388+	VL ASTRA
138	Fire Fighting System	Main Fire Sprinkler Pump	10215040112	Delphi	Pump Room	2184A275W	VL ASTRA
139	Fire Fighting System	Main Fire Sprinkler Jockey Pump	ASC2500659	Delphi	Pump Room	KDT550+	VL ASTRA
140	Fire Fighting System	Booster Pump with Motor	A5C33051L4,ASC330006G,ASC33000011	Delphi	Terrace	KTS 844++	VL ASTRA
141	Sewage Treatment Plant	Sludge Recirculation Pump	AA0600142	Delphi	Near Exit Gate	KDS338+	
142	Sewage Treatment Plant	Dosing Pump	43467	Delphi	Near Exit Gate	V-12	
143	Sewage Treatment Plant	Sewage Treatment Plant	NA	Delphi	Near Exit Gate		
144	Sewage Treatment Plant	Priming Tank	NA	Delphi	Near Exit Gate		
145	PA System	Amplifier	1130713914, 1131214376, 1121212805	Delphi	BMS Room	LBB1938/00	Power Span Engineer (Honeywell)
146	E&M	Pump	A30A0V000420	Delphi	Common Area	KDS-844++	
147	E&M	Pump	A30A5K000737	Delphi	Common Area	KDS-1040+	
148	E&M	Pump	A19AVP000883	Delphi	Common Area	KDS-1348+	
149	UPS	UPS	Q193014679	Delphi	BMS Room	ITXS2PRO	Socomech Innovative Power Solutions
150	DG	DG	25301257	Delphi	B-Kensington wing Basement	KTA-19-G9.600	Cummins India Ltd
151	Fire Alarm System	Fire Alarm Panel	Y084500559746282	Delphi	BMS Room	BC8002A	Technocrats Security Systems (Siemens System)
152	Fire Alarm System	Fire Alarm Panel	NA	Delphi	BMS Room	CD32LC - 10 Zone	Technocrats Security Systems (Siemens System)
153	Elevator	Elevator-Passanger	UCS0692/93/94/95/96/97	Delphi	Basement to 7th floor		CITY ELEVATORS
154	Elevator	Elevator-Passanger	1013989331/101480503	Delphi	B Wing- Ground to 3rd floor		Kone Elevators India Pvt Ltd
155	Elevator	Elevator-Passanger	101419454/10148518	Delphi	Basement to 7th floor		CITY ELEVATORS
156	Water Pump	Flushing Water Pump	NA	Delphi	Water Pump Room	KDT864+	
157	Water Pump	Domestic Water Pump	NA	Delphi	Water Pump Room	KDT864+	
158	Electrical Panel	Changeover Switch Metering Panel	732-80	Delphi	Pump Room	732	Konkan Electric
159	Electrical Panel	ChangeOver Panel- Fire Pump Panel	73290	Delphi	Pump Room		Konkan Electric
160	Electrical Panel	Common Services Panel	NA	Delphi	Meter Room 'C' Wing		Konkan Electric
161	Electrical Panel	Common Services Panel	NA	Delphi	Meter Room 'A' & 'B' Wing		Konkan Electric
162	FAS system	Main Panel	NA	One Boulevard	Main Lobby		Power Span Engineer
163	Pump	Raw Sewage Pump	E19WPY9000421	One Boulevard	Main Gate sewage		
164	Air Conditioning system	AC	OTCSF01189, IDU-IABRF00684	One Boulevard	Main Lobby	DSA/02/Ri	Gewinner Engineering Technish Private Limited
165	Fire Fighting System	Main Fire Hydrant Pump	10220060380	One Boulevard	Pump Room	21865370W	VL ASTRA
166	Fire Fighting System	Main Fire Sprinkler Pump	10220060380	One Boulevard	Pump Room	21865370W	VL ASTRA
167	Fire Fighting System	Jockey Pump with Motor	A7L1CGA0260	One Boulevard	Pump Room	KDT-1078+	VL ASTRA
168	Fire Fighting System	Booster Pump with Motor	A8A0V00001	One Boulevard	Terrace	KDS-844++	VL ASTRA
169	Fire Alarm System	Fire Alarm Panel	NA	One Boulevard	PM office		Power Span Engineer
170	Water Pump	Domestic Water Pump	A806001214	One Boulevard	Pump Room	KDS-550++	
171	Water Pump	Flushing Water Pump	A7APK00574	One Boulevard	Pump Room	KDS-852++	
172	DOL Starter	DOL Starter	3TH42-90-0A	One Boulevard	Pump Room		
173	DG	DG	NAL/MOEF/POWER/CA/F18/2005/042	One Boulevard	Main Gate	PTS/CF27-01	Cummins India Ltd
174	Elevator	Elevator-Passanger	06MP0092/93/07MP0325	One Boulevard	All Floors		CITY ELEVATORS
175	HVAC	Air Handling Unit	HPS/07/80 to 83/07-08	One Boulevard	Basement Parking	HPS 190	
176	Electrical Panel	Air Handling Unit Panel	NA	One Boulevard	Basement Parking	HPS 190	Konkan Electric
177	Electrical Panel	Common Services Panel	NA	One Boulevard	Meter Room		Konkan Electric
178	Electrical Panel	Changeover Panel (Fire Panel & Common services on DG)	NA	One Boulevard	Meter Room		Konkan Electric
179	Pump	Raw Sewage Pump	E19WPY9000421	One Boulevard	Main Gate sewage		
180	Air Conditioning system	AC	OTCSF01189, IDU-IABRF00684	One Boulevard	Main Lobby	DSA/02/Ri	Gewinner Engineering Technish Private Limited
181	HVAC	Air Conditioner	NA	Winchester	202-203		Gewinner Engineering Technish Private Limited
182	HVAC	Air Conditioner	NA	Winchester	202-203		Gewinner Engineering Technish Private Limited
183	HVAC	Air Conditioner	NA	Winchester	202-203		Gewinner Engineering Technish Private Limited
184	HVAC	Air Conditioner	NA	Winchester	202-203		Gewinner Engineering Technish Private Limited
185	HVAC	Air Conditioner	NA	Winchester	202-203		Gewinner Engineering Technish Private Limited



Sr.No.	Equipment Name	Description	Serial No.	Site	Location	Model No.	AMC Vendor Name
186	HVAC	Air Conditioner	NA	Winchester	Multiple		Allied Aero Systems Pvt Ltd.
187	Fire Fighting System	Main Fire Hydrant Pump	1782705003	Winchester	Pump Room	CPHM 100132	VL ASTRA
188	Fire Fighting System	Main Fire Sprinkler Pump	1782705117	Winchester	Pump Room	CPHM 100132	VL ASTRA
189	Fire Fighting System	Jockey Pump with Motor	18304050039	Winchester	Pump Room	Y21A6A036C/0200	VL ASTRA
190	Fire Fighting System	Diesel Pump	1786105025	Winchester	Pump Room	21AS4026L/0100	Omkar FIRE
191	Plumbing System	Hydropneumatic System	12 20 05 0002	Winchester	Pump Room	Gumusova 81850	KBK Water Boosting Ltd.
192	Fire Fighting System	Booster Pump with Motor	A6G520001	Winchester	Terrace	KDS-844+	VL ASTRA
193	Water Pump	Low Zone Flushing Pump Motor (HYD)	85805902	Winchester	Pump Room	MG 90L A2-24E T1-15c	KBK Water Boosting Ltd.
194	Water Pump	Low Zone Flushing Pump (HYD)	NA	Winchester	Pump Room	A95517045P1051	KBK Water Boosting Ltd.
195	Water Pump	High Zone Flushing Pump Motor (HYD)	85805908	Winchester	Pump Room	MG 90L A2-24E T1-15c	KBK Water Boosting Ltd.
196	Water Pump	High Zone Flushing Pump (HYD)	NA	Winchester	Pump Room	A96517050P1512	KBK Water Boosting Ltd.
197	Water Pump	Low Zone Domestic Pump (HYD)	A96122012P20311	Winchester	Pump Room	CR32-4-2	KBK Water Boosting Ltd.
198	Water Pump	High Zone Domestic Pump (HYD)	A96548492P20511	Winchester	Pump Room	CR32-5	KBK Water Boosting Ltd.
199	Fire Alarm System	Fire Alarm panel	315-033008-8	Winchester		CABZ-BD	Siemens
200	DG	DG	2505328	Winchester	Assembly Area		Cummins India Ltd
201	DG	DG	25326735	Winchester	Assembly Area	KTA-19-G9	Cummins India Ltd
202	Electrical Panel	Emergency Lighting panel	NA	Winchester	Meter Room No. 1		Konkan Electric
203	Electrical Panel	Common Lighting Panel	NA	Winchester	Meter Room No. 1		Konkan Electric
204	Electrical Panel	Common Services Panel	NA	Winchester	Meter Room No. 1		Konkan Electric
205	Electrical Panel	Common Lighting Panel	NA	Winchester	Meter Room No. 2		Konkan Electric
206	Elevator	Elevator Supervisory Panel	NA	Winchester	BMS Room		Mitsubishi Elevator India Pvt Ltd
207	Elevator	Elevator-Passanger	AM804285,AM204335,AM804302,AM204340,AM204333	Winchester	P2 to 6th floor & Terrace	EM10252-13	Mitsubishi Elevator India Pvt Ltd
208	Elevator	Elevator-Passanger	AM204330,AM404311,AM804265,AM804290,AM404313,AM205382	Winchester	Ground Floor & 7th floor to Terrace	EM10252-13	Mitsubishi Elevator India Pvt Ltd
209	Elevator	Elevator-Service	AM2051K218,AM2054K325	Winchester	P3 to Terrace	EM10252-13	Mitsubishi Elevator India Pvt Ltd
210	1500KVA Transformer			Winchester	Transformer room	Order/contract no-LONo-CPO5SGP/MDA-01 dt11/05/2005	
211	01KVA UPS	UPS BMS	NA	Winchester	BMS room		Accutech Power Solutions
212	20KVA UPS	UPS Common lighting	NA	Winchester	UPS room		Socomech Innovative Power Solutions
213	HVAC	Split AC	IDU-4552201A17LC05618 & ODU-4512258E18DC01885	Alpha	PM office	123CZA	Gewinner Engineering Technish Private Limited
214	HVAC	Air Conditioner	NA	Alpha	102		Gewinner Engineering Technish Private Limited
215	HVAC	Air Conditioner	NA	Alpha	102		Gewinner Engineering Technish Private Limited
216	HVAC	Air Conditioner	NA	Alpha	102		Gewinner Engineering Technish Private Limited
217	HVAC	Air Conditioner	NA	Alpha	102		Gewinner Engineering Technish Private Limited
218	HVAC	Air Conditioner	NA	Alpha			Gewinner Engineering Technish Private Limited
219	HVAC	Air Conditioner	NA	Alpha	501		Gewinner Engineering Technish Private Limited
220	HVAC	Air Conditioner	NA	Alpha	501		Gewinner Engineering Technish Private Limited
221	HVAC	Air Conditioner	NA	Alpha	501		Gewinner Engineering Technish Private Limited
222	HVAC	Air Conditioner	NA	Alpha	501		Gewinner Engineering Technish Private Limited
223	HVAC	Air Conditioner	NA	Alpha	501		Gewinner Engineering Technish Private Limited
224	Fire Fighting System	Main Fire Hydrant Motor	HIG27-10	Alpha	Pump room	SA200L	VL ASTRA
225	Fire Fighting System	Main Fire Hydrant Pump	10220010024	Alpha	Pump room	2181A0134	VL ASTRA
226	Fire Fighting System	Jockey Pump with Motor	A1F5200091	Alpha	Pump room	KDT-1598+	VL ASTRA
227	Fire Fighting System	Booster Pump with Motor	A1C4200572	Alpha	Terrace	KDS-1040+	VL ASTRA
228	Water Pump	Domestic Water Pump	A1F4100822	Alpha	Pump Room	KDT-1372+	
229	Water Pump	Flushing Water Pump	A1F4100011	Alpha	Water Pump room	KDT-1372+	
230	Fire Alarm System	Fire Alarm panel	2K101226	Alpha	Main Lobby	CD-32-1C-162	Technocrats Security Systems Pvt Ltd.
231	Electrical Panel	Common Services Panel	NA	Alpha	Meter Room		Konkan Electric
232	Electrical Panel	Changeover & Metering Panel	NA	Alpha	Pump room		Konkan Electric
233	Electrical Panel	Fire Fighting Panel	NA	Alpha	Pump room		Konkan Electric
234	Electrical Panel	Fire Fighting Equipment panel	NA	Alpha	Pump room		Konkan Electric
235	Elevator	Elevator-Passanger	1153707/8/9	Alpha	Basement to 11th Floor	160 4K-176	SCHINDLER INDIA PRIVATE LIMITED
236	Elevator	Elevator		Alpha	Main lobby		SCHINDLER INDIA PRIVATE LIMITED
237	Elevator	Elevator		Alpha	Main lobby		SCHINDLER INDIA PRIVATE LIMITED
238	Elevator	Elevator		Alpha	Main lobby		SCHINDLER INDIA PRIVATE LIMITED
239	UPS System	UPS	Q193/4701	Alpha	UPS system	10KVA	Socomech Innovative Power Solutions
240	DG	DG	36164	Winchester	DG area	VTA-2B-G5-1	Cummins India Ltd
241	DG	DG	501305	Winchester	DG area	800DFHD	Cummins India Ltd
242	DG	DG	600450	Winchester	DG area	800DFHD	Cummins India Ltd
243	Fire Fighting System	Main Fire Hydrant Pump	10216030132	Fairmont	Pump Room	2184A123W/1400	VL ASTRA
244	Fire Fighting System	Main Fire Sprinkler Pump	10215030249	Fairmont	Pump Room	2184A094W/0200	VL ASTRA
245	Fire Alarm System	Fire Alarm Panel	NA	Fairmont	Common Area	3D 32 LC (32zone)	Technocrats Security Systems Pvt Ltd.
246	Water Pump	Domestic Water Pump	A3C4400164	Fairmont	Pump Room	KDS 13724	
247	Water Pump	Flushing Water Pump	A4F4100015/16	Fairmont	Pump Room	KDS4065+	
248	Elevator	Elevator-Passanger	AMX032K084/AM9031964/AMX032K081/AM9031K970/AM9031996/AMX032K112	Fairmont	1st to 6th Floor	EM10135-06	Mitsubishi Elevator India Pvt Ltd
249	Elevator	Elevator-Service	AM3042K454	Fairmont	1st to 6th Floor	EM10135-06	Kone Elevators India Pvt Ltd
250	Elevator	Elevator-Service	NA	Fairmont	1st to 6th Floor		Mitsubishi Elevator India Pvt Ltd
251	DG	DG	25368026 S.O No 3145	Fairmont	Podium	KTA 19-G9	Cummins India Ltd
252	HVAC	Split AC	IDU-4552201A18DB00005 & ODU-4512265D18DB09231	Fairmont	PM office	183CZA	Gewinner Engineering Technish Private Limited
253	Electrical Panel	Common Services panel	NA	Fairmont	Meter room no. 2		Konkan Electric
254	Electrical Panel	ATS Panel	NA	Fairmont	Meter room no. 2		Konkan Electric
255	UPS	Emerson Make	NA	Fairmont	UPS		Konkan Electric
256	PA System	Booster Amplifier	4754302	Fairmont	BMS Room	SPA - 1000	
257	PA System	Mixer Amplifier	4893648	Fairmont	BMS Room	SSA-250	
258	UPS	UPS	Mentioned in Battery tracker list	Fairmont	BMS	7.5Kva	Socomech Innovative Power Solutions
259	Split AC	Split AC		Fairmont	BMS	FTKM35UV16W	Gewinner Engineering Technish Private Limited
260	UPS	UPS	Q193014694	One Boulevard		ITYS2PRO	Socomech Innovative Power Solutions
261	UPS	UPS	Q193014680	Prudential		ITYS2PRO	Socomech
262	UPS	UPS	Q193014693	Spectra		ITYS2PRO	Socomech Innovative Power Solutions
263	UPS	UPS	8362L2003100273	Ventura	--	GXT MT + LB	Accutech Power Solutions
264	UPS	UPS	ZM372A2154	Ventura	Ty loan from Kensington	9145	Accutech Power Solutions
265	UPS	UPS	83121010104394	Ventura	--	Libert GXT MT+	Accutech Power Solutions



**Annexure 7: List of sanctions and approvals**

List of one-time sanctions/approvals which are obtained or pending:

**Approvals Received**

- a) Amended Plan Approval received from MCGM as on 28 October 2021.
- b) Full Occupancy Certificates received for following buildings
  - a. Alpha
  - b. CRISIL House
  - c. Delphi
  - d. Fairmont
  - e. Winchester
  - f. Ventura A (1<sup>st</sup> to 9<sup>th</sup> Floors)
  - g. Prudential
  - h. Spectra
  - i. One Boulevard
- c) Sewerage Approvals for all buildings and the common campus area
- d) Consent to Establish (CTE)
- e) Environment Clearance Certificate
- f) One-time Fire NOC for the following buildings
  - a. Alpha
  - b. CRISIL House
  - c. Delphi
  - d. Fairmont
  - e. Winchester
  - f. Ventura A
  - g. Prudential
  - h. Spectra
- g) Height clearance NOC from AAI for the following buildings
  - a. Alpha
  - b. CRISIL House
  - c. Delphi
  - d. Fairmont
  - e. Winchester
  - f. Ventura A
  - g. Prudential
  - h. Spectra
- h) Consent to Operate (CTO)
- i) Building Approvals for all existing buildings and amendments thereof
- j) Approved Zoning Plan
- k) Approved Master Plan
- l) Architect's Certificate





## **Annexure 8: Caveats & Limitations**

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India REIT** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited



information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



# BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED

Valuation of Nine Buildings of Kairos Property Managers Pvt. Ltd. Located at Powai, Mumbai, Maharashtra (the "Property").

Final Report



Our Ref: IND2200107

16 May 2023

**Brookprop Management Services Private Limited**  
**Unit 1, 4th Floor, Godrej BKC,**  
**Bandra Kurla Complex,**  
**Mumbai, Maharashtra - 400051**

Attn: Mr. Sarthak Patel

**Re: Valuation of Nine Buildings of Kairos Property Managers Pvt. Ltd. Located at Powai, Mumbai for proposed acquisition of 50% stake by Brookfield India REIT (the "Property").**

Dear Sir,

In accordance with our terms of engagement dated **19<sup>th</sup> May 2022**, we attach our report setting out our opinion on the value of "the Property". We confirm that we have carried out an external inspection of the Property, made relevant enquiries and obtained such further information as we consider necessary as to allow us to provide you with our opinion of subject as of 31 March 2023, for acquisition purpose. Please note this report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. It has been informed by the Client that access to this report shall be provided to statutory authorities, appointed third party consultants and/or auditors of the Client. The REIT may disclose the report for any statutory or reporting requirements or include it in stock exchange filings, any transaction document, publicity material, presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the property by Brookfield India REIT. The registered valuer and Colliers both consent to provide access to this report but will have no liability to any third party other than the Client. Neither the whole nor any part of this valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except for purposes mentioned above and/or with the prior written approval of Colliers International (India) Property Services Pvt Ltd (hereinafter referred to as "Colliers") as to the form and context in which it may appear.

Should you have any queries on the content of this report, please contact our Mr. Arvind Rai MRICS at +91 99100 77234, who would be pleased to assist.

Yours faithfully,  
For and on behalf of

**ANVI Technical Advisors India Pvt Ltd, Registered Valuer Entity, IBBI Reg No: IBBI/RV-E/02/2019/101**

**Srinivas MVDS**

Director  
ANVI Technical Advisors India Pvt Ltd

For and on behalf of

**Colliers International (India) Property Services Private Limited**

**Arvind Rai MRICS**

Senior Director- Valuations

**Kumar Abhishek**

Associate Director- Valuations



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### List of Abbreviations

Sq.ft.	Square feet (a measuring unit)
Kms	Kilometers (a measuring unit)
Mn	Million
INR	Indian Rupee
US\$	United State Dollar
DCF	Discounted Cash Flow
DP	Development Planning
EBIDTA	Earnings Before Interest, Depreciation, Taxes & Amortization
FSI	Floor Space Index
FAR	Floor Area Ratio
HABU	Highest and Best Use
PPP	Public Private Partnership
RICS	Royal Institution of Chartered Surveyors
MRICS	Member of Royal Institution of Chartered Surveyors
NH	National Highway
SH	State Highway
U/C	Under Construction
WACC	Weighted Average Cost of Capital
NPV	Net Present Value
IRR	Internal Rate of Return
IT	Information Technology
ITeS	Information Technology Enabled Services
DC	Data Center
CBD	Central Business District
JVLR	Jogeshwari – Vikhroli Link Road

### Unit Conversion

1 Hectare	2.47 acres
1 acre	4046.85 sq. m
1 acre	43560 sq. ft
1 sq. m	10.764 sq. ft



## 1 Executive Summary

<b>Property Address</b>	Nine Buildings located near Hiranandani Gardens, Powai, Mumbai, Maharashtra																																																											
<b>Company holding real estate assets / Registered owner</b>	Kairos Property Managers Private Limited																																																											
<b>Description</b>	The Subject Property comprises of Nine buildings located at Powai. Among the buildings, one "Crisil House" is occupied by a single tenant and the others are occupied by multiple tenants.																																																											
<b>Area Under Valuation</b>	<table border="1"> <thead> <tr> <th>Sr. No</th> <th>Building Name</th> <th>Elevation</th> <th>Total Leasable Area (Sq. ft.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Crisil House</td> <td>B+3S+7</td> <td>2,11,611<sup>@</sup></td> </tr> <tr> <td>2</td> <td>Alpha</td> <td>B+G+11</td> <td>1,09,463</td> </tr> <tr> <td>3-a</td> <td>Delphi A</td> <td>B+G+6</td> <td>52,687</td> </tr> <tr> <td>3-b</td> <td>Delphi B</td> <td>B+G+6</td> <td>2,37,446</td> </tr> <tr> <td>3-c</td> <td>Delphi C</td> <td>B+G+6</td> <td>59,496</td> </tr> <tr> <td>4</td> <td>Fairmont</td> <td>2S+1<sup>st</sup>+5</td> <td>2,84,459</td> </tr> <tr> <td>5</td> <td>One Boulevard</td> <td>2B+G+4</td> <td>1,06,133</td> </tr> <tr> <td>6</td> <td>Prudential</td> <td>B+G+6</td> <td>2,34,229</td> </tr> <tr> <td>7</td> <td>Spectra</td> <td>P+S+G+6</td> <td>1,93,649</td> </tr> <tr> <td>8 a</td> <td>Ventura A- Operational</td> <td>B+G+P+10</td> <td>419,833</td> </tr> <tr> <td>8 b</td> <td>Ventura A- UC</td> <td>-</td> <td>74,668*</td> </tr> <tr> <td>9</td> <td>Winchester</td> <td>B+S+2P+1stF+14</td> <td>7,45,822</td> </tr> <tr> <td colspan="3"><b>Total</b></td> <td><b>27,29,496</b></td> </tr> </tbody> </table>	Sr. No	Building Name	Elevation	Total Leasable Area (Sq. ft.)	1	Crisil House	B+3S+7	2,11,611 <sup>@</sup>	2	Alpha	B+G+11	1,09,463	3-a	Delphi A	B+G+6	52,687	3-b	Delphi B	B+G+6	2,37,446	3-c	Delphi C	B+G+6	59,496	4	Fairmont	2S+1 <sup>st</sup> +5	2,84,459	5	One Boulevard	2B+G+4	1,06,133	6	Prudential	B+G+6	2,34,229	7	Spectra	P+S+G+6	1,93,649	8 a	Ventura A- Operational	B+G+P+10	419,833	8 b	Ventura A- UC	-	74,668*	9	Winchester	B+S+2P+1stF+14	7,45,822	<b>Total</b>			<b>27,29,496</b>	<p>*- 18,322 sq.ft has been pre-leased to Croma and hence we have considered this area as operational for valuation purposes while the remaining area has been considered as under-construction.</p>		
	Sr. No	Building Name	Elevation	Total Leasable Area (Sq. ft.)																																																								
	1	Crisil House	B+3S+7	2,11,611 <sup>@</sup>																																																								
	2	Alpha	B+G+11	1,09,463																																																								
	3-a	Delphi A	B+G+6	52,687																																																								
	3-b	Delphi B	B+G+6	2,37,446																																																								
	3-c	Delphi C	B+G+6	59,496																																																								
	4	Fairmont	2S+1 <sup>st</sup> +5	2,84,459																																																								
	5	One Boulevard	2B+G+4	1,06,133																																																								
	6	Prudential	B+G+6	2,34,229																																																								
	7	Spectra	P+S+G+6	1,93,649																																																								
	8 a	Ventura A- Operational	B+G+P+10	419,833																																																								
8 b	Ventura A- UC	-	74,668*																																																									
9	Winchester	B+S+2P+1stF+14	7,45,822																																																									
<b>Total</b>			<b>27,29,496</b>																																																									
<b>Tenure of the property</b>	Freehold+ Leasehold																																																											
<b>Purpose of Valuation</b>	For acquisition of 50% stake by Brookfield India REIT																																																											
<b>Valuation Approach</b>	Income Approach- Discounted Cash Flow method																																																											
<b>Date of Site Visit</b>	30 March 2023 (External Drive-by inspection)																																																											
<b>Date of Valuation</b>	31 March 2023																																																											
<b>Market Value of Subject Property- Kairos</b>	<b>INR 68,984 million</b> <b>(INR Sixty-Eight Billion Nine Hundred Eighty-Four Million only)</b>																																																											

<sup>@</sup>- Leasable Area post refurbishment after Oct-24 shall increase to 254,960 sq.ft





## 2 Introduction

### 2.1 Terms of Engagement

On instructions received from **Brookprop Management Services Private Limited** (the "Client") and as agreed in our terms of engagement dated 19 May 2022, we have conducted external drive-by inspection of the property on 30 March 2023 and provided our opinion of the Market Value of the Property (as defined hereinafter) in its existing state, for for the purpose of acquisition of 50% stake by Brookfield India REIT only as at 31<sup>st</sup> March 23. Further, Colliers International (India) Property Services Pvt. Ltd. has reviewed the assumptions and the methodologies used for the valuation conducted by ANVI in accordance with applicable standards in the valuation report issued by ANVI.

### 2.2 The Property

The Subject Property comprises of Nine buildings located at Powai. Among the buildings, one "Crisil House" is occupied by a single tenant and the others are occupied by multiple tenants. The building wise area breakup is tabulated as below;

Sr. No	Building Name	Elevation	Total Leasable Area (Sq. ft.)	Leased Area (Sq. ft.)	Vacant Area (Sq. ft)
1	Crisil House	B+3S+7	2,11,611 <sup>@</sup>	2,11,611	-
2	Alpha	B+G+11	1,09,463	84,335	25,128
3-a	Delphi A	B+G+6	52,687	45,736	6,951
3-b	Delphi B	B+G+6	2,37,446	2,20,331	17,115
3-c	Delphi C	B+G+6	59,496	59,496	-
4	Fairmont	2S+1 <sup>st</sup> +5	2,84,459	2,84,434	25
5	One Boulevard	2B+G+4	1,06,133	1,06,133	-
6	Prudential	B+G+6	2,34,229	2,12,187	22,042
7	Spectra	P+S+G+6	1,93,649	1,26,253	67,396
8 a	Ventura A - Ready	B+G+P+10	419,833	3,99,510	20,323
9	Winchester	B+S+2P+1stF+14	7,45,822	6,25,596	1,20,226
<b>Total</b>			<b>26,54,829</b>	<b>23,75,623</b>	<b>2,79,206</b>

#### **Under construction**

8 b	Venture A- Under Construction (UC)	-	74,668*	18,322	56,346
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\*18,322 sq.ft has been pre-leased to Croma and hence we have considered this area as operational for valuation purposes while the remaining area has been considered as under-construction.

<sup>@</sup>- Leasable Area post renovation after Oct-24 shall increase to 254,960 sq.ft

### 2.3 Valuation Date

As mandated by the client the date of valuation is 31<sup>st</sup> March 2023. Due to possible changes in market forces and circumstances in relation to the Property, the report can only be regarded as representing our opinion of the value of the Property as at the date of valuation.



## 2.4 Basis of Valuation

Our valuation is provided on the basis of Market Value, which we define as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

## 2.5 Valuation Standards Adopted

The valuation report has been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Global and India Valuation Professional Standards, incorporating the International Valuation Standard Council (IVSC) valuation standards

ANVI Technical Advisors Pvt Ltd is a Registered Valuer Entity registered under IOVRVF a Registered Valuer Organization (‘RVO’) recognized by IBBI under the Valuer Rules read with section 247 and section 458 of the Companies Act, 2013

## 2.6 Valuer

As per the requirements of law and the SEBI regulations, the valuation has been independently undertaken by **ANVI Technical Advisors India Pvt Ltd**, a registered valuer under the instructions of **Srinivas MVDS**, registered valuer and Director in **ANVI Technical Advisors India Pvt Ltd**. Colliers International (India) Property Services Pvt. Ltd. Has reviewed the assumptions and the methodologies used for the valuation in accordance with applicable standards.

### **Profile of the Company (ANVI Technical Advisors India Pvt Ltd)**

ANVI is the first company in India to get registered with IBBI as a Registered Valuer Entity for Land & Building vide IBBI Registration No. IBBI/RV-E/02/2019/101.

### **Srinivas MVDS (RV - Land & Building, IBBI Reg No. IBBI/RV/02/2018/10035):**

He has more than 14 years of experience in Real Estate Valuations and Construction Industry (more than 11 years in Real Estate Valuations and 3 years in Project Management). He is a Registered Valuer with IBBI (Insolvency & Bankruptcy Board of India in Land & Building vide IBBI Registration No. IBBI/RV/02/2018/10035, IOV (Institution of Valuers) and is a member of Professional Institutions like RICS (Royal Institute of Chartered Surveyors), Chartered Engineer (The Institution of Engineers, India).

**Arvind Rai** has a professional experience of over 12 years in the field Real Estate Valuation. He has a hand-on experience in valuation of all forms of real estate asset classes including residential, commercial, retail, hospitality, industrial, institutional, warehousing etc. primarily in Northern & Western India. Arvind has also the experience of undertaking litigation support cases. Arvind is M. Tech in Planning with specialization in Housing.

**Ajay Sharma**, MRICS, FIV. Ajay holds a bachelor’s in architecture degree and a Post Graduate Diploma in Advanced Construction Management and has over 14 years of real estate consulting and valuation experience across various asset classes. Ajay has provided valuation and advisory services to diverse range of clients in areas of purchase price allocation, (pre and post) accounting related valuations (IFRS, IAS, IndAS), lending-based



valuation, valuations under liquidation and SARFESI and asset monetization related valuations. Further, Ajay has undertaken significant advisory work for Smart City projects, infrastructure projects, business strategies and monetization.

**Kumar Abhishek** is having about 13 years of advisory experience with specialization in valuations of real estate and Plant, Machinery & Equipment (PME), Feasibility study, DPR, TEV and Lenders Engineering. Abhishek has worked extensively on real estate valuation in Western India and PME Valuation across India and overseas. He is a Member of the Royal Institute of Chartered Surveyors (RICS, UK), (Reg. No. - 6731479)

The above-mentioned appraisers and reviewers have accepted instructions to value the Property only for the Client. They have no interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the Property.

## 2.7 Inspection and Investigations

A drive by site inspection of the Property adequate for the purpose of this assessment was carried out by Vivek Jadhav on 30<sup>th</sup> March 2023. The site inspection has been facilitated and Information related to subject property has been provided by client representative.

### **List of Information provided by client's representative.**

A checklist of information required for this valuation assignment was requested to the client's representative, before & after the site inspection.

#### **Information provided by the client representative:**

- Existing rent roll on 31<sup>st</sup> March 2023
- Details of applicable CAM models comprising of CAM charges and CAM Cost
- Capex details for building improvement and capital activities

We confirm that we have made relevant enquiries and obtained such information as we consider necessary to conduct the valuation. All investigations have been conducted independently and without influence from a third party in any way. The information provided in this report has been obtained from the Client, its associates, primary and secondary research, other public information, and Collier's research database. We have not conducted any physical measurement of the property and all areas have been adopted directly from the documents provided by the client's representative.

## 2.8 Caveats and Assumptions

This report is subject to and includes our Standard Caveats and Assumptions as set out in the appendices at the end of this report, as well as our agreed terms of our engagement.

Please note the report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. It has been informed by the Client that access to this report shall be provided to statutory authorities, appointed third party consultants and/or auditors of the Client. The registered valuer and Colliers both consent to provide access to this report but will have no liability to any third party other than the Client. The whole nor any part of the valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any



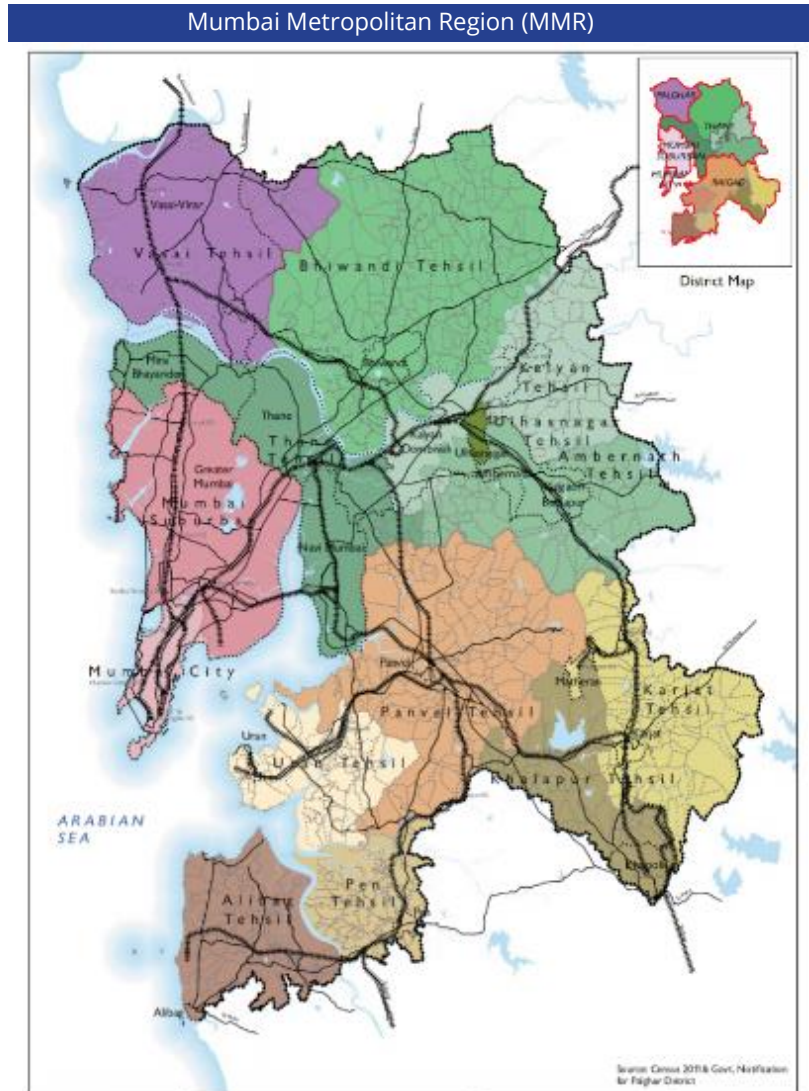
way whatsoever except for the purposes mentioned above and/or with the prior written approval of ANVI Technical Advisors India Pvt Ltd and Colliers as to the form and context in which it may appear.

ANVI Technical Advisors India Pvt Ltd and Colliers shall at all times keep all information relating to this valuation report confidential and not release it to third parties, without the written consent of the client. ANVI Technical Advisors India Pvt Ltd and Colliers further confirm that their directors, employees, associates involved in this engagement shall comply with the Unpublished Price Sensitive Information (“UPS”) framework under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including its amendments

### 3 City Overview

#### 3.1 City Overview – Mumbai and Metropolitan Region

Mumbai, the capital of Maharashtra, is the country's financial capital and its economic nerve center. It is home to 48 billionaires and is ranked eight among world's top 10 cities with the largest number of billionaires. This, along with its tax collections, is a testament to the high earning potential in Mumbai. Mumbai is a multi-functional city, with a vast array of economic opportunities that has resulted in attracting a large migratory population. It is well connected to international nodes via the seaport and airport.



Source: MMRDA

The population of Greater Mumbai (including the notified areas under SPAs), recorded in 2011 Census is 12.48 million as against the 11.97 million in 2001 indicating a net addition of nearly half a million over one decade. The population growth rate of Greater Mumbai has been experiencing a decline since 1961. However, there has been a sharp decline in the last decade (20.68% between 1991-2001 and 3.87% between 2001 - 2011). The Mumbai Metropolitan Region (MMR) spread over 6,328 sq. km. consists of 9 Municipal Corporations viz. Greater Mumbai, Thane, Kalyan-Dombivali, Navi Mumbai, Ulhasnagar, Bhiwandi- Nizamapur, Vasai-Virar, Mira-Bhayandar and Panvel; and 9 Municipal Councils viz. Ambarnath, Kulgaon-Badalapur, Matheran, Karjat, Khopoli, Pen, Uran,



Alibaug and Palghar, along with more than 1,000 villages in Thane, Raigad and Palghar Districts. MMRDA is responsible for the balanced development of the MMR.

## 3.2 Infrastructure

### 3.2.1 Existing Infrastructure

#### Railways:

With over 7.5 million commuters daily, the Mumbai Suburban Railway is one of the busiest commuter rail systems in the world. The Mumbai local railway network has been split up into three 4 lines:

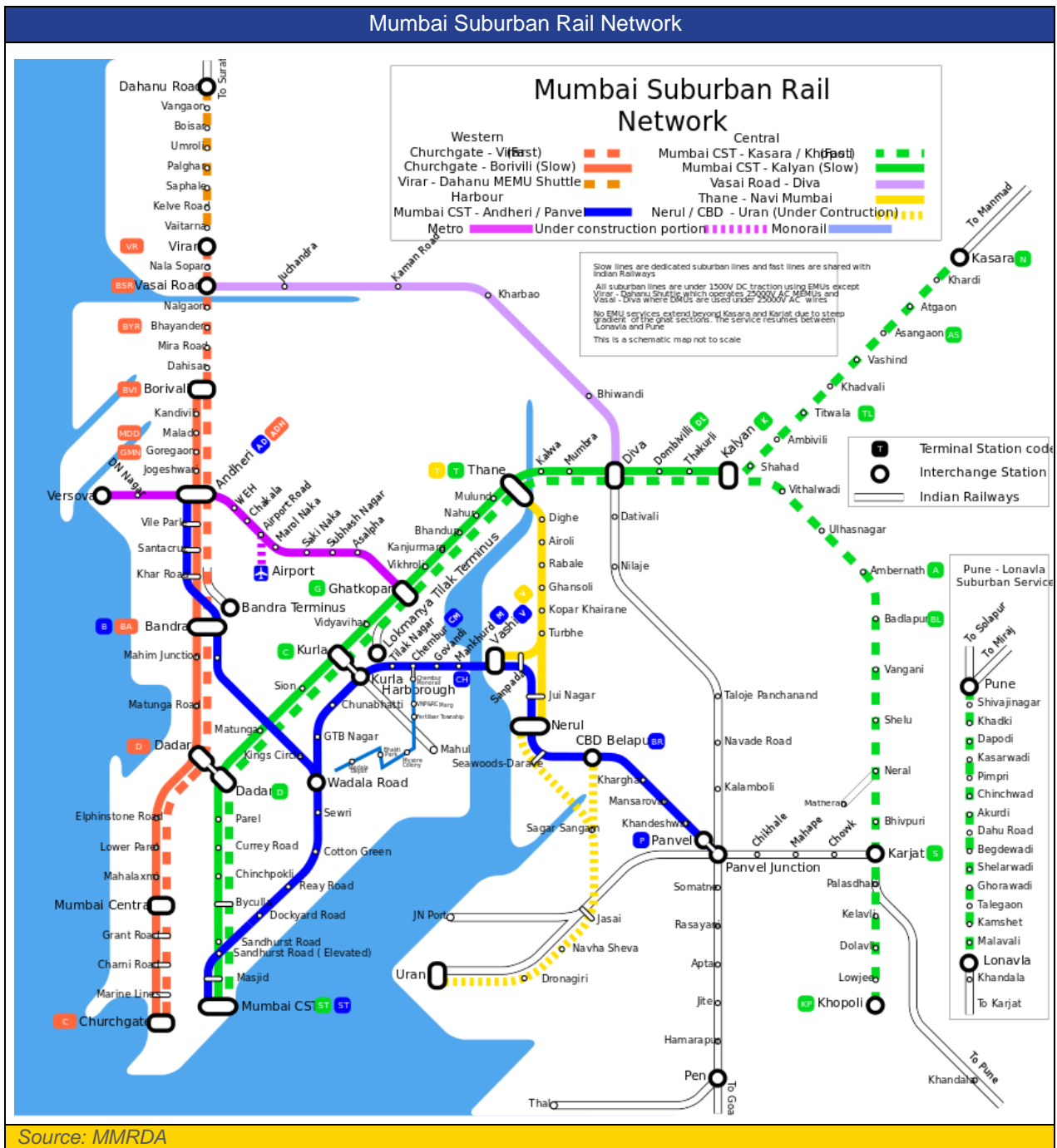
- 1) Western Line - Churchgate – Dahanu Road 123 km. This suburban rail network provides an excellent south-north connectivity of the city with the western suburbs. Separate lines for suburban trains provide excellent connectivity.
- 2) Central Line - Chhatrapati Shivaji Terminus (CST) – Kalyan – Kasara/Khopoli 121 km/115 km. This suburban rail network provides an excellent south-north connectivity of the city with the central suburbs.
- 3) Harbour Line - CST – Vashi – Panvel 49 km. This suburban rail network provides connectivity between Mumbai and Navi Mumbai.
- 4) Trans-Harbour Line Thane – Panvel 49 km. This suburban rail network provides connectivity with the satellite city of Navi Mumbai.

#### Monorail Network

Also run are the 20 km long Monorail network connecting Chembur-Wadala to Sant Gadge Maharaj Chowk. This route has eighteen stations on route and provides connectivity with locations like, BPCL colony, Wadala depot, Antop Hill and Sant Gadge Maharaj Chowk. Both the Phase I (Chembur-Wadala) and Phase II (Wadala- Sant Gadge Maharaj Chowk) became fully operational on 4th March 2019.

#### Metro Rail Network

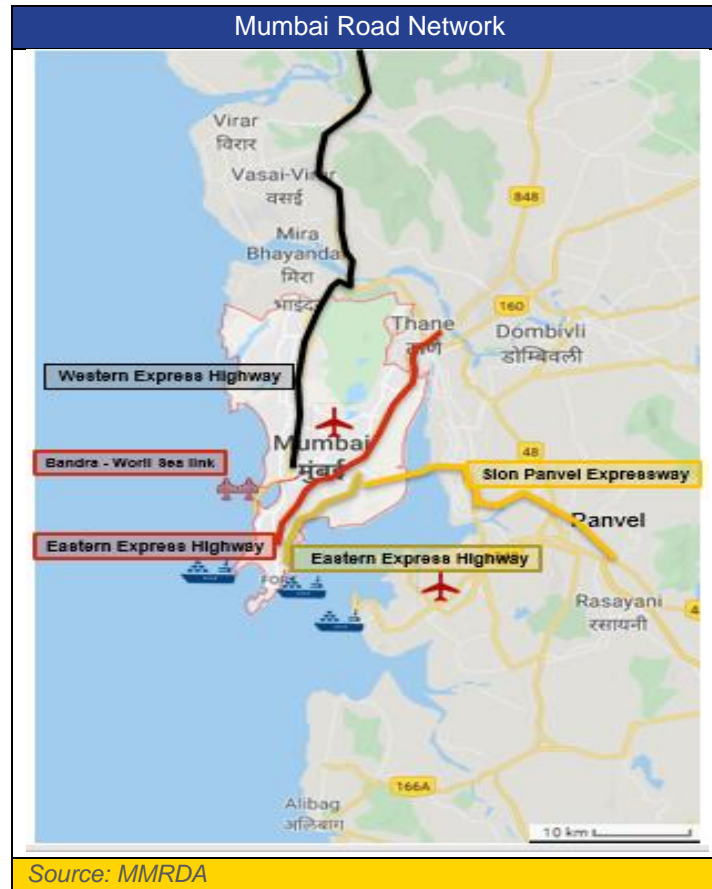
The original Mumbai Metro master plan is proposed to be completed in 3 phases. The 11.40 km long fully elevated Line 1 of Phase I, connecting Versova-Andheri-Ghatkopar is already operational. Line 1 has a total a total of 12 stations on route and offers connectivity with key locations such as Andheri, Western Express Highway, Airport Road and Marol Naka.



## Road Network

**Bandra - Worli Sea Link** running connects Bandra in the western suburbs of Mumbai with Worli in South Mumbai. It has helped in decongesting the traffic problems at Mahim Junction for those commuting between the suburban locations and the island city. Thus, it has managed to reduce the travel time between the two locations.

**Western Express Highway** extending from Bandra to Dahisar, this eight-lane arterial road has enhanced the south-north connectivity in the city.



**Eastern Express Highway** this six-lane arterial road between Sion and Thane provides the south-north connectivity.

**Sion - Panvel Highway** this eight-lane road has been instrumental in providing the west-east connectivity between Mumbai and Navi Mumbai.

**Eastern Freeway** this four-lane project has enhanced the connectivity of South Mumbai with the eastern suburbs and serves as an important link road running parallel to the Eastern Expressway. The freeway starts at CST, goes up to Anik and further to Pajarpole and Ghatkopar.

**Palm Beach Marg** is about 10 km long, six-laned road that runs parallel to the Mumbai coast. This road stretch is also popular among joggers and runners as it offers great scenic experience. It connects Vashi and Belapur CBD through Sanpada and Nerul.

### Air & Water Network

Chhatrapati Shivaji International Airport (CSIA) is one of India's busiest airports having recorded passenger traffic of 29.07 million (Mn) in 2010-11 with a growth rate of 14%. Currently, CSIA has three domestic terminals at Santacruz and two international terminals at Sahar in operation.

**Ports** - There are two principal ports: Mumbai Port Trust (MbPT) and Jawaharlal Nehru Port Trust (JNPT). JNPT is the country's largest container port. MbPT and JNPT handled 56.18 Mn tonnes and 65.75 Mn tonnes of cargo





traffic respectively in 2011–12. JNPT has a container terminal that has been developed through private investment on a build-operate-transfer (BOT) basis.

### 3.3 Proposed Infrastructure

**Mumbai Trans-Harbor Link (MTHL)** proposed to decongest the City district region by connecting Sewri on the island city side with Chirle on Navi Mumbai side. The project will be implemented on EPC (Design-Build) model with assistance from JICA in form of Official Development Loan. The 21.8 km long, 6-lane freeway grade road bridge is expected to be completed in 4 phases which includes 16.5 km of sea bridge and 5.5 km of viaducts on either end of the bridge. The successful project completion should lead to accelerated development of Navi Mumbai region and rationalization of real estate prices in Greater Mumbai.

**Multi-modal Corridor (Virar – Alibaug)** One of the major recommendations of a Comprehensive Transportation study known as TRANSFORM (TRANSPORTATION Study FOR the region of Mumbai) was ₹100 billion Multi-Modal Corridor. The 79 km long stretch from Virar (Navghar) to Chirner (JNPT) out of total 126 km has been found to be financially feasible and approved by the Authority.

**Mumbai Metro Line-3** (Colaba-Bandra-SEEPZ) The 33.5 km long corridor will comprise of 26 underground and one at grade station. It is estimated to serve 17.0 Lakh passengers daily. Metro Line 3 will be called as “Aqua Line”. The proposed route will connect major business and employment centers such as Nariman Point, Cuffe Parade, Fort, Lower Parel, BKC and SEEPZ/MIDC.

**Mumbai Metro Line-4** (Vadala to Kasarvadavali) Also to be referred as Green Line is a 32.32 km long under construction elevated corridor comprising of 32 stations. Line 4A is 2.7 km long extension of line 4 from Kasarvadavali to Gaimukh with 2 stations.

**Mumbai Metro Line-5** (Thane-Bhiwandi-Kalyan) The 24.95 km long elevated metro line work is at full pace. Upon completion it will be first metro line in the country to pass over a water body. The metro line project has been presumably divided into two phases and intended to get completed by 2025.

**Mumbai Metro Line 6** The 14.47 km long fully elevated track will stretch from Swami Samarth Nagar on the eastern side to Vikhroli and Kanjurmarg on the western end. The metro line will have 13 stations on route and expected to become operational by 2026.

**Mumbai Metro Line-2A and 7** The line 2A corridor (Dahisar East to DN Nagar) is 18.6 km long fully elevated stretch with 17 stations. The line 7 is 16.5 km fully elevated stretch running parallel to western Expressway and covering 13 stations. Both the lines are fully operational since January 2023.

**Mumbai Metro Line-10 and 12** Line 10 is proposed 9.2 km extension of line-4 and 4A with stations extending from Gaimukh to Shivaji Chowk. Line 12 will be a 20.75 km long extension of Line-5 with 17 stations in between.

**Mumbai Coastal Road Project** is a 22.2 km long 8-lane under construction freeway that would run parallel to Mumbai’s western coastline. The estimated 120 bn project will connect marine lines in the South to Kandivali in the North. The road is expected to have 130,000 passenger car units per day. The proposed road is anticipated to reduce travel time between South Mumbai and Western Suburbs. The eight-lane Coastal Road project will be built



in two phases and the entire stretch is expected to become operational by the end of 2023. The Brihanmumbai Municipal Corporation (BMC) has already completed 36% of the total work.

**Navi Mumbai Suburban Train Network Extension (Nerul – Seawoods – Uran)** Currently, the region is connected through the JNPT Road. However, this upcoming suburban train network is likely to enhance connectivity and prove beneficial to residential markets like Ulwe. The construction work is in progress from the Seawoods end and will extend up to Uran.

**Delhi-Mumbai Industrial Road Project** launched in December 2006 with MoU signed between the Government of India and Government of Japan. The entire project implementation will be done in 3 phases. Seven key nodes are being developed in Phase 1 and expected to get completed by 2025 with an estimated investment of 15.5 bn. The proposed road project is expected to cover 24 industrial regions and eight smart cities giving major boost to the industries spread across 1500 km long Western Dedicated Freight corridor.

**Mumbai-Ahmedabad High Speed Rail Corridor** is an under construction 508 km long high-speed rail project connecting country's financial capital with Ahmedabad. It is India's first high speed rail line and will comprise of 12 stations. The estimated cost is 1100 bn with JICA funding 81 percent of the total project cost. Upon completion the 508 km distance is expected to be covered in just two hours. The rail corridor is expected to get completed by October 2027.

#### **Navi Mumbai International Airport**

In the wake of the air travel demand from MMR increasing from 29 mn passengers in 2010–11 to an estimated 119 mn in 2030–31, a second international airport is being developed in Navi Mumbai. While the residential market has witnessed an enormous growth in anticipation of this project, it will provide a major boost to the economy of the Navi Mumbai region with a host of commercial activities that are likely to come up. The project had secured the environmental clearance in November 2010. Phase I is expected to have an annual capacity of 10 mn passengers.

**Dahanu Port** is an estimated 50-60 bn project located 140 km North of Mumbai in Dahanu Taluka of Palghar district. Around 5000 acres of land reclamation from sea is proposed to build the country's first offshore port. The reclamation will happen over five phases. Phase I is expected to become operational by 2025 with 25 mn tonnes of handling capacity.

#### **MMR Commercial Office Space Market**

The MMR (Mumbai Metropolitan Region) commercial office space market refers to the demand, supply, and pricing trends for office spaces in the Mumbai metropolitan area, which includes the city of Mumbai and its surrounding regions. In recent years, the MMR region has emerged as one of the most attractive commercial real estate markets in India. The region is home to several large multinational corporations, leading Indian companies, and startups, all of which require modern, high-quality office spaces to conduct their business operations.

The demand for office spaces in the MMR region is driven by the growth of the IT, BFSI (banking, financial services, and insurance), and other service sectors. Additionally, the government's initiatives to promote Mumbai as a global financial hub have further fueled demand for office spaces.



The supply of commercial office spaces in the MMR region has also increased in recent years, with several developers and real estate firms launching large-scale projects. However, the demand for office spaces has outstripped supply, leading to rising prices in the market.

Despite the COVID-19 pandemic, the MMR commercial office space market has remained resilient, with several companies continuing to lease and purchase office spaces in the region. The shift towards remote work and hybrid work models has also resulted in some changes in the office space requirements of companies, with a greater emphasis on flexible workspaces and collaborative areas. Overall, the MMR commercial office space market is a dynamic and attractive sector for real estate investors, developers, and businesses looking for modern, well-designed office spaces in a thriving metropolitan region

In the first quarter of this year, the gross leasing volume (GLV) for commercial office spaces in the Mumbai Metropolitan Region recorded a drop of 32% from the previous quarter and an 11% drop compared to the same period last year. However, the GLV of 3.05 million square feet (msf) still remains reasonably good when compared to the average quarterly volume of 3.5 msf during the last six quarters until Q4-22, which was the post-Covid office rebound period. Fresh leases accounted for 1.35 msf in the total GLV, with smaller transactions below 50,000 square feet dominating the market. Occupiers from IT-BPM (38%), BFSI (21%), and Professional Services (18%) sectors were active during this quarter. Emerging segments such as Global Capability Centers (GCCs) and flexible workspaces continue to witness traction, and there are enquires that suggest this momentum to persist.

Leasing activity was concentrated in Lower Parel, Malad-Goregaon, and Thane-Belapur Road, which captured almost 60% of the quarterly GLV. The first quarter also recorded net absorption of 0.72 msf, which is lower by 25% compared to the same period last year, although it remains nearly in line with the previous eight-quarter average of 0.83 msf.

#### **Key Statistics –LEASE TRANSACTIONS Q1 2023 in Powai**

<b>Occupier</b>	<b>Building Name</b>	<b>Lease/Sale</b>	<b>Period</b>	<b>Area (in SF)</b>
Marsh McLenna Global	Supreme Business Park	Lease	Q1 2023	121,256
Seraphyq Futureverse Private Limited	Supreme Business Park	Lease	Q1 2023	10,549
Eassy Innovative Services	Lodha Supremus	Lease	Q1 2023	1073
Morgan Stanley	Oberoi Gardens Estate	Lease	Q1 2023	7,498

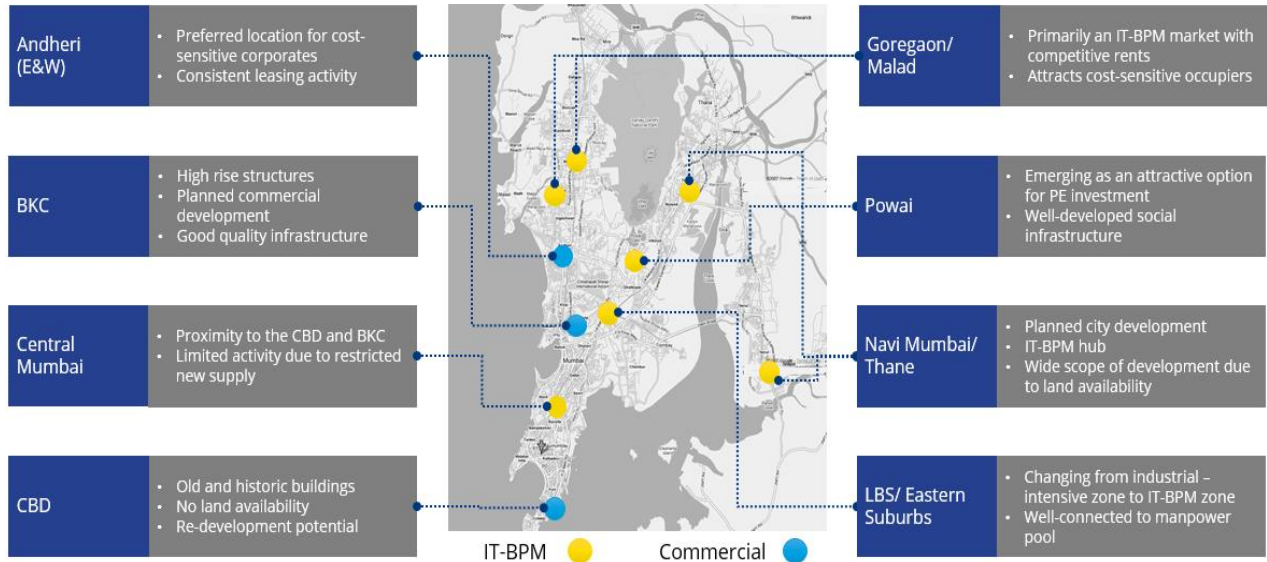
*Source: Colliers Research*



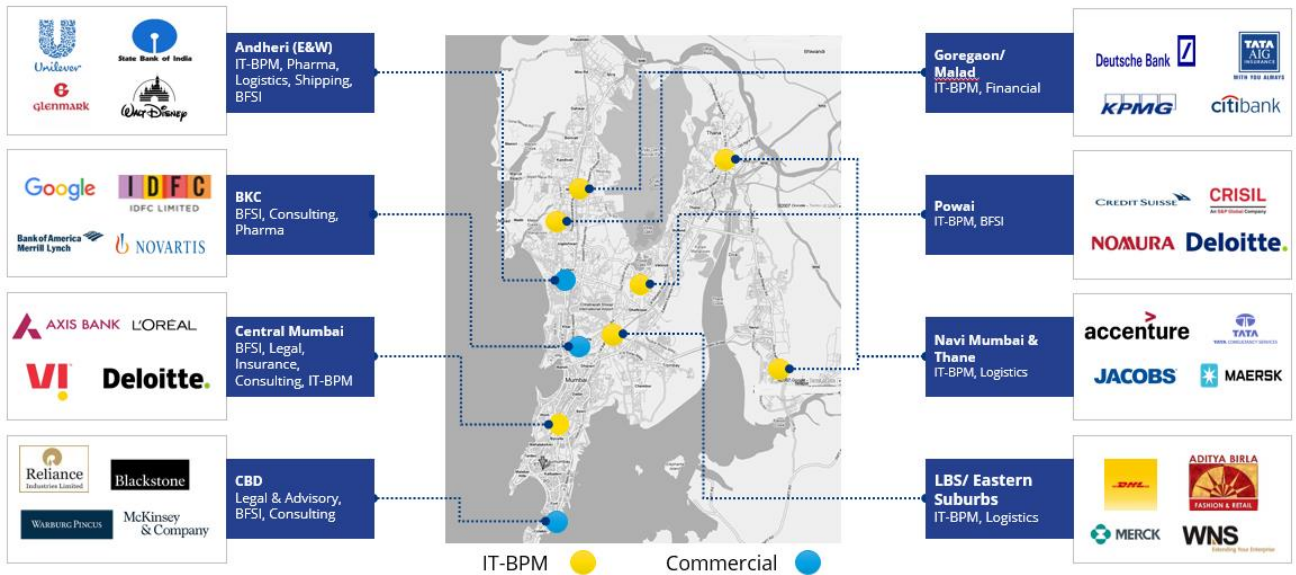
### 3.4 Commercial Market Update

The Mumbai Metropolitan region is divided into 8 Major commercial Hubs based on the type of developments and the tenant profile of the region.

Major Commercial Hubs in the City are as below:



The tenant profile of the hubs is as below:

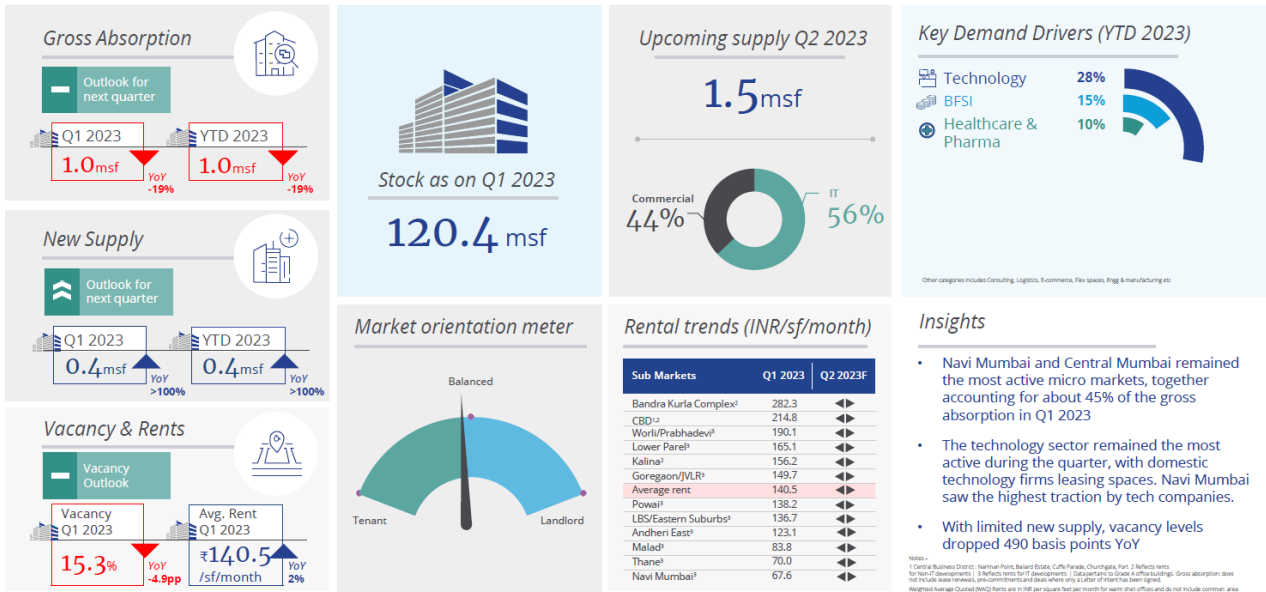


### City Office Market Landscape - Mumbai

Based on our market research, Q1 2023 has witnessed a gross leasing of 1.0 MSF, a 19% YoY decrease however, the market sentiments remain positive and is the gross leasing is expected to breach last year's mark by the year end. The City has an existing stock (Grade A) of 120.4 MSF with additional upcoming supply of 34 MSF by 2026. Approx. 1.5 MSF of upcoming supply is expected by Q2 2023. Limited new supply of inventory coupled with robust leasing led to an overall drop in vacancy levels from 17.6% to 15.3% between Q4 2022 and Q1 2023. The weighted



average quoted rentals remained stable at INR 140.5 sq. ft./month between Q4 2022 and Q1 2023.



Overall, the city saw a resurgence in gross absorption with market slightly oriented towards the tenant. Navi Mumbai and Central Mumbai remained the most active market, recording almost half share of the total gross absorption owing to which the region is expected to observe sizeable upcoming supply in near future.

**Gross leasing (MSF)**

	2016	2017	2018	2019	2020	2021	2022	Q1 2023
India <sup>4</sup>	24.4	30.6	37.7	44.8	30.1	32.9	50.3	10.1
Mumbai	2.5	3.6	5.7	8.6	3.7	4.6	7.1	1.0
Share of Mumbai	10.2%	11.8%	15.1%	19.2%	12.3%	14.0%	14.1%	10.0%

Mumbai noted an average gross leasing of 5.1 MSF from 2016-22

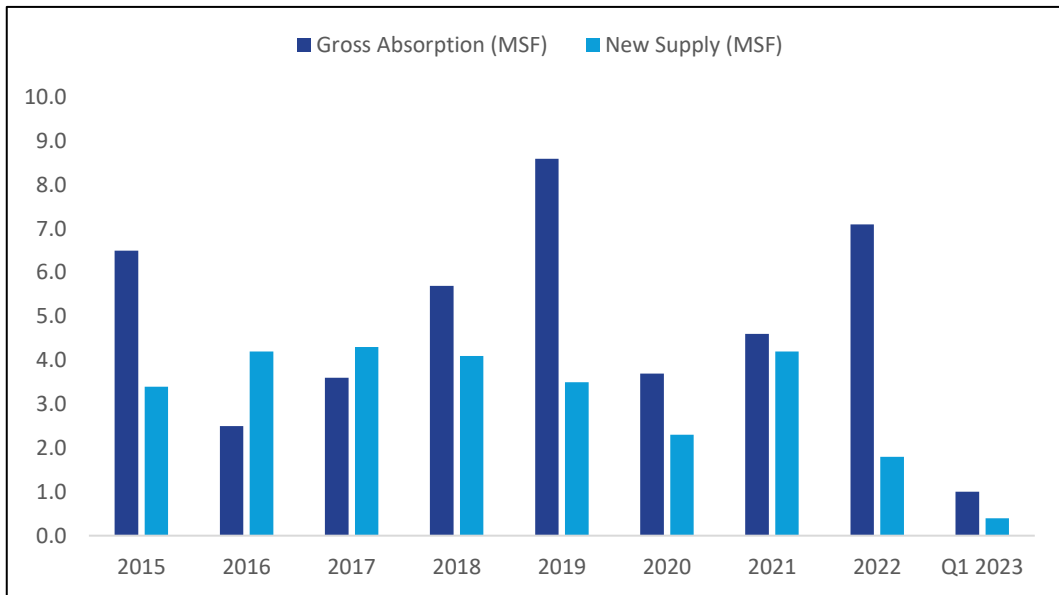
**New Supply (MSF)**

	2016	2017	2018	2019	2020	2021	2022	Q1 2023
India <sup>4</sup>	20.5	24.9	35.7	33.4	34.8	34.9	43.0	9.5
Mumbai	4.2	4.3	4.1	3.5	2.3	4.2	1.8	0.4
Share of Mumbai	20.5%	17.3%	11.5%	10.5%	6.6%	12.0%	4.1%	4.2%

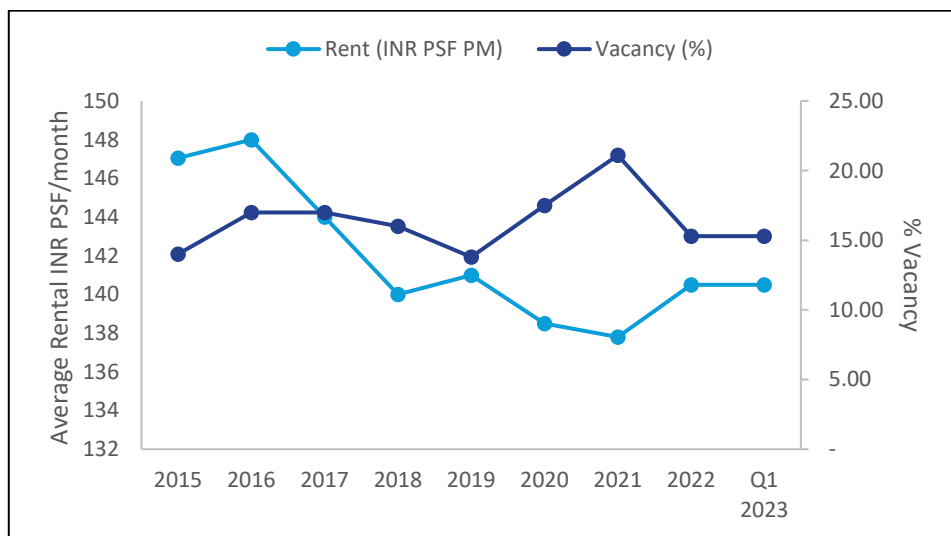
Mumbai noted an average supply of 3.9 MSF from 2016-22



**Gross Absorption & New Supply**



**Vacancy Vs Rent Trend - Mumbai**



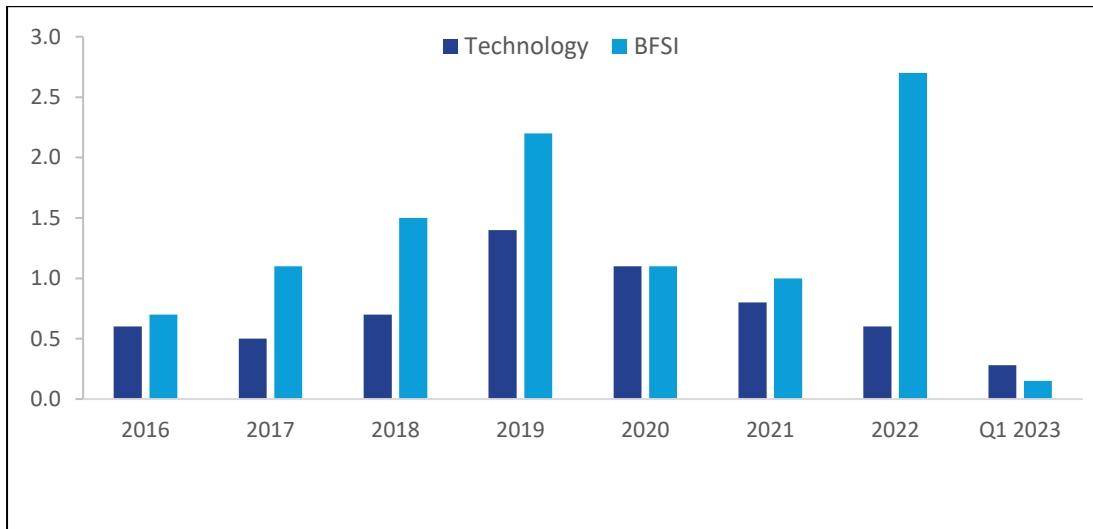
In Q1 2023, a total of 0.4 Mn sq. ft. of new supply was added, a significant drop as compared to 1.4 Mn sq. ft. in Q4 2022. With limited new supply in this quarter, vacancy levels dropped by 490 basis points YoY. Upcoming supply of 1.5 Mn sq. ft. is expected by Q2 2023. The submarkets of Thane-Belapur Road, Malad-Goregaon, Central Suburbs and BKC submarkets are expected to remain the preferred locations of occupiers for their future demand.

**Occupier Trends**

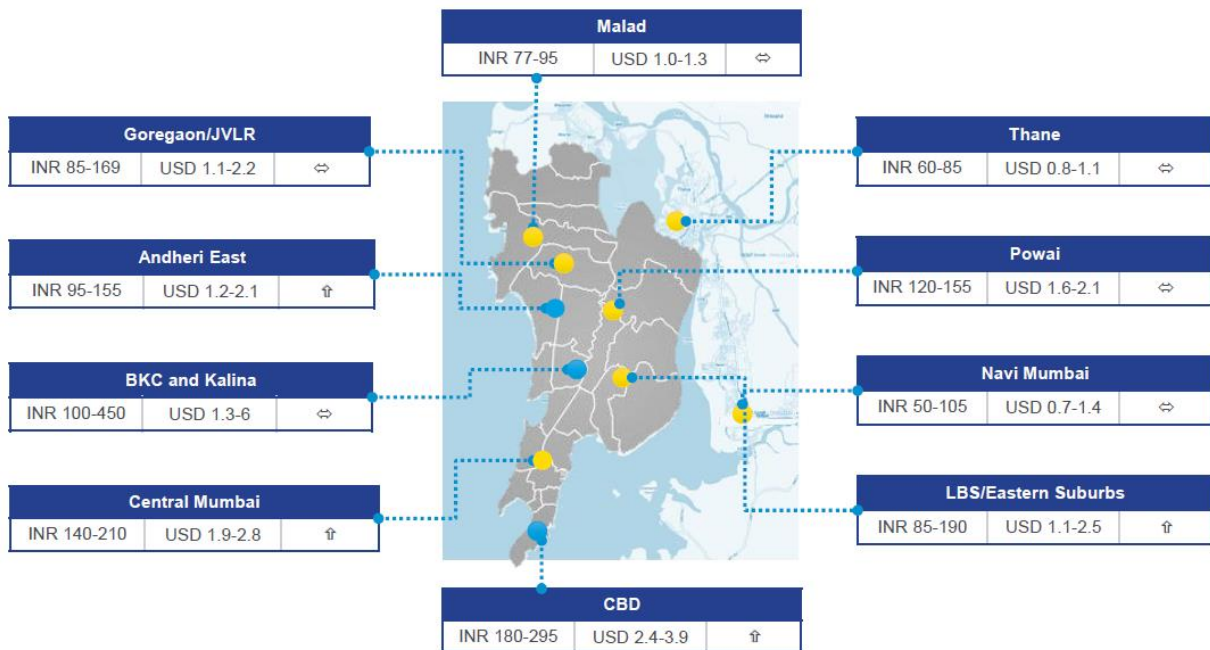
At city level, leasing by Technology and BFSI sector accounted for 43% share in Q1 2023, a slight decrease in their share from 48% in Q4 2022. Health and Pharma accounted for 10% share of the overall absorption. The technology sector remained the most active during the quarter, with domestic technology firms leasing spaces.



Navi Mumbai saw the highest traction by tech companies. BKC and Kalina micro-market is likely to continue to remain as one of the most preferred destinations for occupiers like BFSI, healthcare and pharma and IT BPM due to high quality asset, location and good connectivity.



### Office Micro-Market Rentals

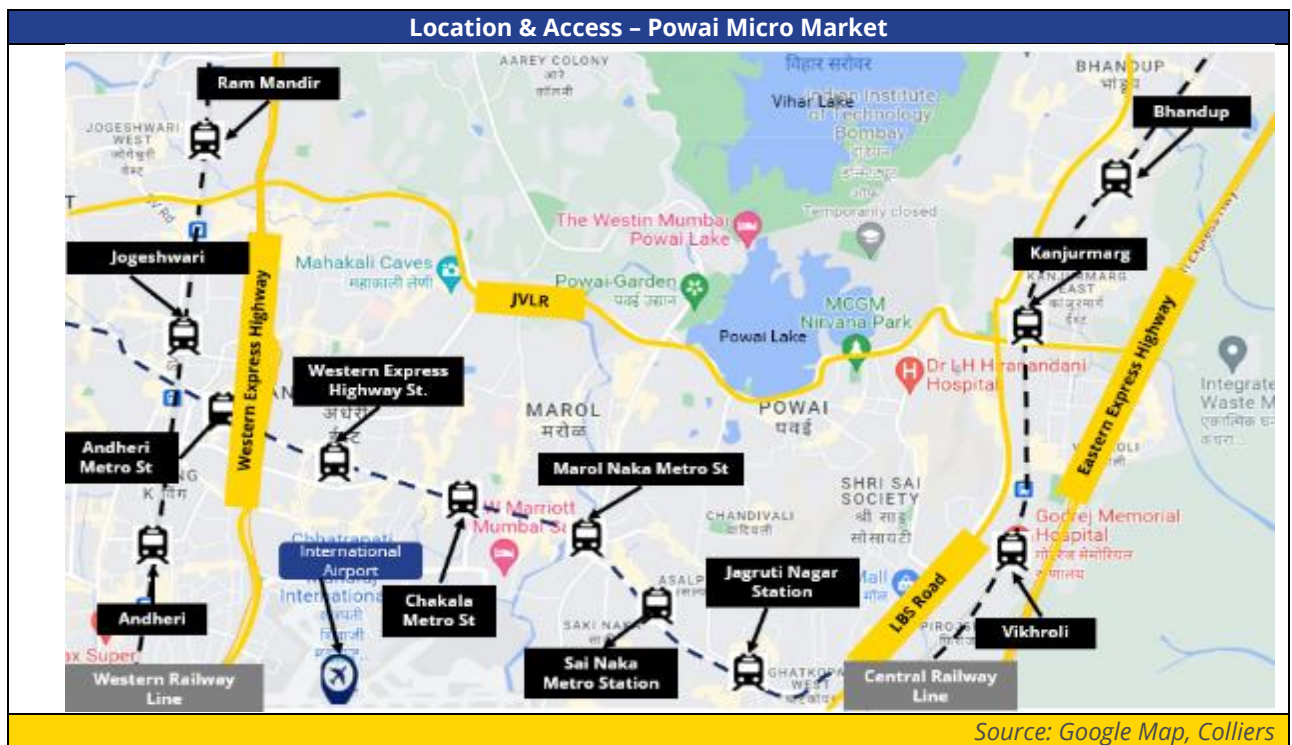


### 3.5 Powai Micro-Market Overview

Powai is regarded as one of the most prominent micro-markets in MMR. Situated between the western and eastern suburbs Powai is strategically located having connectivity with most parts of MMR. On the north is situated Sanjay Gandhi National Park 's southern boundary. While towards west is Andheri, towards the east are Vikhroli and Kanjurmarg micro-markets and towards the south are Chandivali and Ghatkopar. Powai can primarily be accessed through Jogeshwari -Vikhroli Link Road (JVLR) which is one of the prominent arterial roads that connects the western and eastern suburbs. Towards the west it connects western express highway which provides connectivity to western suburbs and towards the east JVLR connects to eastern express highway which provides connectivity to eastern suburbs and Navi Mumbai.

Powai is located in close proximity to Chhatrapati Shivaji Maharaj International Airport. Alignment of Currently operational Mumbai metro line – 1 passes through Andheri-Kurla road which is in proximity to Powai and can be accessed through Marol Naka and Saki Naka Metro Stations. Powai doesn't have directly sub-urban rail connectivity; however, the sub-urban rail network can be accessed through neighboring micro-markets of Jogeshwari (for western line) and Vikhroli (for central line).

Powai has ample presence of social and physical infrastructure. Powai is also home to IIT Bombay campus.





### 3.6 Powai Commercial Market Overview



Powai is key Commercial micro-market in MMR region catering to both commercial as well as IT occupiers. Powai has approx. 2.4 million sq. ft. of supply under development; major being L&T commercial Tower Phase I & KRC Cygnus. Key demand for Powai is driven by BFSI, IT-BPM and Consulting services. Off late Powai has emerged as an attractive option for investment PE funds, startups, owing to proximity from IIT Mumbai. Powai is also one of the few markets offering SEZ development in MMR.

The market rental value for a typical IT & Commercial office space in Powai is in the range of INR 140 per sq. ft per month to 200 per sq. ft per month. Some of the key IT & Commercial projects are enumerated in the below table

Project Name	Owner/ Developer Name	Location	Approx. Gross Leasable Area (in sq. ft.)	Rental Value (INR/ sq. ft./ month) on GLA	Key Tenants
Delphi (Wing A, B, C)	Brookfield	Powai	~350,00	160 - 200	A Kreations, Reliance Jio Infratel Private Limited, Corporation Bank, Credit Suisse Business Analytics, Tata Project
Fairmount	Brookfield	Powai	~2,85,000	140 - 160	Deloitte, FIS Global
Ventura	Brookfield	Powai	~4,90,000	150 - 160	JP Morgan, General Mills, Petrofac,
L&T Business Park	L&T Realty	Off JVL	~3,75,000	140 - 160	JP Morgan
Winchester	Brookfield	Powai	~7,45,800	130 - 140	Nomura, Matt Macdonald, Deloitte
Prima Bay	L&T Realty	Off JVL	~4,00,000	120 - 150	Technip, L&T Realty, Schneider, Colgate
Prudential	Brookfield	Powai	~2,34,229	140 -150	Credit Suisse, CoWrks, O(1) India Pvt. Ltd.
Spectra	Brookfield	Powai	~1,93,650	140 - 170	MEP Infra, XPO Logistics, General Mills



## 4 Property Ownership

For the purpose of this report, M/s. Kairos Property Managers Private Limited has been considered as the owner of the Property.

We have assumed that the Subject Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the Property and our valuation assumes that none exists.

### 4.1 Documents/ Information Shared

The following documents have been shared for the purpose of preparation of this report:

- Existing rent roll on 31<sup>st</sup> March 2023
- Details of applicable CAM models comprising of CAM charges and CAM Cost
- Capex details for building improvement and capital activities



## 5 Property Details

The Subject Property under valuation is a Commercial IT/ITeS office space comprising of eleven buildings located at Powai. The following table comprises of basic details about the Subject eleven buildings.

Property Details	1	2	3	4
Project Name	Crisil House	Alpha	Delphi A	Delphi B
Location	Powai	Powai	Powai	Powai
Access Road	Central Ave and High St	Central Ave and Main St	Orchard Avenue	Orchard Avenue
Ownership Type	Freehold	Leasehold	Leasehold	Leasehold
Name of the owner	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited
Permissible Usage	IT/ITeS	Commercial	Commercial	Commercial
Elevation	B+3S+7	B+G+11	B+G+6	B+G+6
Total Leasable Area (sq. ft.)	2,11,611 <sup>@</sup>	1,09,463	59,284	237,446
Total Leased Area (sq. ft.)	2,11,611	84,335	52,687	2,20,331
Vacant Space (sq. Ft.)	-	25,128	6,951	17,115

Property Details	5	6	7	8
Project Name	Delphi C	Fairmont	One Boulevard	Prudential
Location	Powai	Powai	Powai	Powai
Access Road	Orchard Avenue	South Avenue	Orchard Avenue	Central Avenue
Ownership Type	Leasehold	Freehold	Leasehold	Freehold
Name of the owner	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited
Permissible Usage	Commercial	IT/ITeS	Commercial	IT/ITeS
Elevation	B+G+6	2S+1st+5	2B+G+4	B+G+6
Total Leasable Area (sq. ft.)	59,496	284,459	1,06,133	234,229
Total Leased Area (sq. ft.)	59,496	2,84,434	1,06,133	212,187
Vacant Space (sq. ft.)	-	25	-	22,042

Property Details	9	10	11
Project Name	Spectra	Ventura A – Operational & Under Construction (UC)	Winchester
Location	Powai	Powai	Powai
Access Road	Central Avenue	Central Avenue	South Avenue
Ownership Type	Freehold	Freehold	Freehold
Name of the owner	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited	Kairos Property Managers Private Limited
Permissible Usage	IT/ITeS	IT/ITeS	IT/ITeS
Elevation	P+S+G+6	B+G+P+10	B+S+2P+1stF+14
Total Leasable Area (sq. ft)	193,649	Ventura A -Operational 4,19,833 Ventura A- UC 74,668*	745,822
Total Leased Area (sq. ft.)	1,26,253	3,99,510	6,25,596
Vacant Space (sq. ft.)	67,396	20,323	1,20,226

\*18,322 sq. ft has been pre-leased to Croma and hence we have considered this area as operational for valuation purposes

while the remaining area has been considered as under-construction.

@- Leasable Area post refurbishment after Oct-24 shall increase to 254,959 sq. Ft

The following satellite map illustrates the location of the Subject Property.



### 5.1 Key Highlights of Subject Property

This section of the report lists out the structural highlights and major tenants occupying the Property, which are

- ✓ Availability of larger floor plates
- ✓ Availability of open areas
- ✓ Waterbody
- ✓ Rooftop Solar panels
- ✓ Rainwater harvesting
- ✓ Yulu bicycles
- ✓ Presence of Social Infrastructure such food joints, Banks & ATM's, convenience stores etc. in proximity

Some of the major occupiers of the Subject Property are

- Crisil
- Emerson Process Management
- Credit Suisse
- Royal Sundaram Alliance Insurance
- FIS Global Business Solution
- Deloitte Consulting India
- Tata Projects
- General Mills India Pvt Ltd
- J.P. Morgan
- Nomura Services India Pvt Lt

## 5.2 Location & Access

The Subject Property can be accessed through Forest St, Rigid Road, High St., and Main St. which further connects to Ridge Road on the west end which connects to JVLR. South Avenue connects to High Street on east end which also connects to JVLR via Orchard Avenue. The following map illustrates the same.

Primary access to subject site is provided by an Internal Road which further connects to Ridge Road towards the west which further connects to JVLR which connects Powai which other parts of MMR.

### Distance of subject site from key landmarks:

Key Landmark	Road Distance approx from all subject site (kms.)
Jogeshwari Railway Station	9.6
Kanjurmarg Railway Station	4.1
Vikhroli Railway Station	4.0
Andheri East (Metro Station)	8.0
Ghatkopar West (Metro Station)	5.7
BKC (Metro Station)	9.5
International Airport	10.8





### 5.3 Property Title Particulars

We have assumed that the subject property is free and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists. We strongly recommend the end user of this report to seek professional advice for the same from a qualified legal expert

### 5.4 Environmental Issues

We have no knowledge of any environmental concerns or contamination of the subject site and surrounding sites. We are not qualified to assess environment concerns; it is therefore recommended that the client should seek professional advice from an expert

### 5.5 Approval and Regulatory Status

This valuation exercise has been conducted with an assumption that all the regulatory approvals are in place.



## 6 Approach & Methodology

### 6.1 Valuation Approach - Income Approach

The market value of the subject property has been estimated using Income Approach – Discounted Cash Flow Method.

Our valuation is on the basis of Market Value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Income Approach to value is based on the premise that there is a direct relationship between income that a property is capable of generating and its perceived value. In other words, Income approach to valuation provides an indication of value by converting future cash flows to a single current capital value. Within the Income Approach, different techniques are utilized depending upon the nature of the real estate investment.

#### Methodology: Discounted Cash Flow Analysis

Discounted Cash Flow Analysis: Within the Income Approach, the DCF analysis technique is the process of analyzing an investment by estimating a series of future cash flows and taking into account the time value of money. For the DCF technique, the income is projected over the investment cycle and the net income is calculated after deduction of the capital and operating expenses.

DCF method/analysis is a financial modelling technique based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the subject land parcel. In case of a valuation of a large land parcel like the property, where the development potential is realized over a period of time (i.e. time value of money comes into the picture) and also where there are no or few immediate similar properties (i.e. comparable) available for comparison, DCF method considering relevant potential developments of the project is used.

The DCF method requires the entire development cash flows to be drawn up and assumptions made about the market performance over the entire project time frame. This requires an in-depth understanding of

- the demand / supply dynamics,
- transaction values and quantum,
- construction costs, quality and infrastructure requirements/constraints,
- time frame of the project,
- profit / returns,

and other analysis. All this market data must be compiled (as relevant to the subject site) in order to create a financial model that captures all market drivers and value impacting parameters.



## 7 Valuation Assumptions

This report is subject to our Standard Caveats and Assumptions as set out in the end of this report as well as those mentioned below:

- We have assumed that the property is free from and clear of any charges, liens and encumbrances of an onerous nature likely to affect value.
- It is assumed that any land premium or other relevant fees payable for the acquisition, transfer, sale, letting or mortgage of the property have been fully paid and settled.
- We are not aware of any easements or rights - of - way affecting the property and our valuation assumes that none exists.
- We have assumed proper title has been obtained, and the property and the interest valued therein can be freely transferred, mortgaged or let in the market.
- We have assumed that all Information, estimates and opinions furnished to us and contained in this report, including all information provided by the client or its representative, are fit for valuation purposes, and have been obtained from sources considered reliable and believed to be true and correct. We can assume no responsibility for accuracy.
- We have not carried out any detailed site measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents provided to us are correct. All documents and contracts have been used as references only and all dimensions, measurements and areas are therefore approximations.
- We have assumed the Property is free of contamination and any other environmental problem and can be developed in accordance with the plans, and to the construction quality as stated in the supplied information.
- Transaction cost like stamp duty, registration charges, mode of payment, brokerage and any other additional cost related to transaction structuring, taxes such as capital gains, Income tax etc. pertaining to sale / purchase of the property have not been considered while arriving at the sale value.
- Real estate market in India is unorganized and there are no official market databases/ sources for their prevailing market rates. The information pertaining to the sales/ listing data has been obtained from sources deemed to be reliable however no written confirmation or verification was made available and hence our analysis is limited to that extent.
- For any use of the Property upon which this valuation report is based, all required licenses, permits, certificates, and authorizations as required have been obtained, and are capable of renewal without difficulty, except only where otherwise state





## 8 Valuation

As per our observation at the time of site inspection that the Subject Property comprises of retail and office space development which has been being leased out. Owing to the income generating nature of the Property, discounted cash flow method under the Income Approach is being utilized. Expansion work in an already operating building Ventura A is in progress. Rest all the buildings are completely constructed and operational. The following section shows the area statement basis the information shared by the client

### 8.1 Area Details

Sr. No	Building Name	Elevation	Total Leasable Area (Sq. ft.)	Leased Area (Sq. ft.)	Vacant Area (Sq. ft)
1	Crisil House	B+3S+7	2,11,611 <sup>@</sup>	2,11,611	-
2	Alpha	B+G+11	1,09,463	84,335	25,128
3-a	Delphi A	B+G+6	52,687	45,736	6,951
3-b	Delphi B	B+G+6	2,37,446	2,20,331	17,115
3-c	Delphi C	B+G+6	59,496	59,496	-
4	Fairmont	2S+1 <sup>st</sup> +5	2,84,459	2,84,434	25
5	One Boulevard	2B+G+4	1,06,133	1,06,133	-
6	Prudential	B+G+6	2,34,229	2,12,187	22,042
7	Spectra	P+S+G+6	1,93,649	1,26,253	67,396
8 a	Ventura A - Ready	B+G+P+10	419,833	3,99,510	20,323
9	Winchester	B+S+2P+1stF+14	7,45,822	6,25,596	1,20,226
<b>Total</b>			<b>26,54,829</b>	<b>23,75,623</b>	<b>2,79,206</b>

#### Under construction

8 b	Venture A- Under Construction (UC)	-	74,668*	18,322	56,346
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\*18,322 sq.ft has been pre-leased to Croma and hence we have considered this area as operational for valuation purposes while the remaining area has been considered as under-construction.

<sup>@</sup>- Leasable Area post renovation after Oct-24 shall increase to 254,960 sq.ft

### 8.2 CAPEX Details

The capital expenditure as shared by Kairos which is expected to be incurred is tabulated as below:

Capex to be spent	
Asset Upgrade	80
TI	134
Ventura Expansion (1st and 10th Floor)	119
Crisil House	480



### 8.3 Assumptions & Projections

The assumptions are tabulated as below:

Assumptions			
Particulars	Unit	Value	Remarks
<b>Cost Assumptions</b>			
Brokerage	(No. of months Rental)	1	Colliers Assumption
Brokerage on Exit	% age	1%	Colliers Assumption
Insurance & Property Tax annual Increment	% age	5%	Colliers Assumption
Escalation in Payroll	% age	8%	Every January, Client Provided
<b>Revenue Assumption</b>			
Escalation in Rental for future leased portion	%	5%	per annum
Vacancy Leased Portion	(Months)	1	Months
Rent Free Period	(Months)	2	Months
Sales Growth	%	0.42%	% Per month
Interest on Security Deposit	%	0.50%	% age per month
Average Market Rental: Commercial	(INR/ Sq. Ft./Month)	170	Colliers Assumption
Average Market Rental: IT	(INR/ Sq. Ft./Month)	150	Colliers Assumption
Average Market Rental: Winchester & Fairmont	(INR/ Sq. Ft./Month)	145	Colliers Assumption
Market Rent: Retail	(INR/ Sq. Ft./Month)	350	Colliers Assumption
Market Rent: Tower	(INR/ Sq. Ft./Month)	75000	Colliers Assumption
CAM Charges	(INR/ Sq. Ft./Month)	17 <sup>\$</sup>	Colliers Assumption
Security Deposit	(No. of Months)	6	Colliers Assumption
Utility Deposit	(No. of Months)	-	Colliers Assumption
Cam Deposit	(No. of Months)	-	Colliers Assumption
Margin over CAM Expenses	(% of Cam Charges)	20%	Colliers Assumption
Parking Income Annual Increment	(%)	5%	Colliers Assumption
Stabilized Vacancy	(%)	2.5%	Colliers Assumption
Repair & Maintenance cost	%age of rent revenue	2%	Colliers Assumption
<b>Project Assumptions</b>			
Discount Rate - Constructed	%	11.75%	Colliers Assumption
Discount Rate - Under Construction	%	13%	Colliers Assumption
Capitalization rate	%	8%	Colliers Assumption

<sup>\$</sup>- For unleased and under-construction area

Post the expiry of current contracted rent, it is assumed that it shall be leased at prevailing market rent.

#### **Capitalization rate:**

Capitalization rate is basically the per year yield on the investment a buyer expects once he buys a matured property. This capitalization rate is derived from the amount of risk that is involved in that particular type of investment. Generally riskier asset classes have a higher capitalization rate. Since in an efficient market, the return on capital a typical buyer will get will be equal to the cost of capital, the capitalization rate is also an indicator of the return expectations of a typical buyer in the market. Capitalization rate is also inflation protected because as with any property, lease revenues are expected to keep pace with the prevailing inflation. So the



returns a buyer gets keeps increasing because of the increase in future lease revenue. In economics terms it's called real return on investment because the purchasing power of your money is maintained and is not eroded by inflation. Capitalization rate is used to calculate the capital value of a property when it is being disposed.

$$\text{Capital Value of Property} = \frac{\text{Net Operating Income from leases}}{\text{Capitalization Rate (\%)}}$$

**Recent Transactions**

Period	Project	Investor	Stake Acquired (%)	City	Micro Market	Size (msf)	Value (INR mn)	Indicative cap rate
Nov-22	Marathon Futurex	CDSL	100%	Mumbai	Lower Parel	0.071	1630	8.0-8.5%
Nov-22	Marathon Futurex	Film Kraft Productions Pvt Ltd	100%	Mumbai	Lower Parel	0.016	330	8.0-8.5%
Apr-22	5 floors in Lodha iThink	National Realty	100%	Thane	Wagle Estate	0.16	1880	7.5-8.0%

Capitalization rates for commercial properties with a good tenant mix range from 7.5% to 8.5%. Based on the above market transactions, we have arrived at Capitalization rate of 8.00 % for the property.

**Discount rate:**

Discount rate is used to compute net present value in the discounted cash flow analysis. The Discount Factor considered for arriving at the present value is the weighted average cost of capital (WACC). A debt-equity ratio comprising of 60% debt and 40% equity has been considered. The cost of equity is computed using the Capital Asset Pricing Model (CAPM) using the formula shown below.

$$r_E = r_f + \beta(r_m - r_f)$$

Were,

rf = Risk free rate (Average yield in March 2023 on Govt of India 10-year bond)

rm =Market return

β = Measure of Market Risk (Sensitivity of price of comparable) 1.39

WACC Calculation	
Target D/V	60%
Target E/V	40%
<b>Assumed Cost of Debt (Kd)</b>	<b>8.5%</b>
Tax Rate	0%
<b>Net Cost of Debt</b>	<b>8.5%</b>
Risk Free Rate (Rf) G-Sec Rate as of 31 <sup>st</sup> Mar 23	7.31%



Expected Average Return of the market (Rm)	13%
Rm- Rf	6%
Beta	1.39
Alpha- Company/ Project Specific Risk Factor	1.00%
<b>Cost of Equity (Ke)</b>	<b>16.66%</b>
<b>Cost of Capital</b>	<b>11.76%</b>
<b>Cost of Capital - Rounded off</b>	<b>11.75%</b>

Under construction assets have been discounted at WACC of 13.0% providing for the risk involved in the development and leasing of the space.





## 8.4 Valuation Calculations

Basis the above revenue and cost assumptions, the valuation has been carried out. The building-wise NPV workings are as below:

### 8.4.1 Crisil House

CRISIL House		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	29.9	359.4	-	-	-	-	-	-	-	-	-	-
Fresh Leasing	-	-	168.3	515.5	541.3	568.3	596.8	626.6	657.9	690.8	710.6	725.4
Vacancy Provision	(0.7)	(9.0)	(4.2)	(12.9)	(13.5)	(14.2)	(14.9)	(15.7)	(16.4)	(17.3)	(17.8)	(18.1)
<b>Total Rental Income</b>	<b>29.2</b>	<b>350.4</b>	<b>164.1</b>	<b>502.6</b>	<b>527.7</b>	<b>554.1</b>	<b>581.8</b>	<b>610.9</b>	<b>641.5</b>	<b>673.6</b>	<b>692.8</b>	<b>707.2</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	252.5	-	-	-	-	-	-	-	-	-
Cumulative Deposit	251.9	251.9	105.2	252.5	252.5	252.5	252.5	252.5	252.5	252.5	252.5	252.5
Interest on security deposit	1.3	15.1	6.3	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1
CAM Income	2.3	27.4	22.9	56.9	59.8	62.9	66.1	69.4	73.0	76.7	80.7	84.8
Property Tax Recovery	0.8	10.2	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>32.3</b>	<b>388.0</b>	<b>187.0</b>	<b>559.5</b>	<b>587.5</b>	<b>617.0</b>	<b>647.9</b>	<b>680.4</b>	<b>714.5</b>	<b>750.3</b>	<b>773.5</b>	<b>792.0</b>
<b>Capex</b>	-	221.6	258.5	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(1.5)	(18.6)	(8.2)	(20.6)	(21.7)	(22.9)	(24.1)	(25.4)	(26.7)	(28.2)	(29.7)	(31.2)
Payroll Expenses	-	(6.5)	(7.0)	(7.6)	(8.2)	(8.9)	(9.6)	(10.3)	(11.2)	(12.1)	(13.0)	(14.2)
Property Tax Expense	(0.8)	(10.2)	(10.7)	(11.3)	(11.8)	(12.4)	(13.0)	(13.7)	(14.4)	(15.1)	(15.9)	(16.4)
Building Maintenance Expenses	(0.6)	(7.0)	(3.3)	(10.1)	(10.6)	(11.1)	(11.6)	(12.2)	(12.8)	(13.5)	(13.9)	(14.1)
Brokerage	-	-	(40.6)	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(2.9)</b>	<b>(42.3)</b>	<b>(69.8)</b>	<b>(49.5)</b>	<b>(52.3)</b>	<b>(55.2)</b>	<b>(58.3)</b>	<b>(61.6)</b>	<b>(65.1)</b>	<b>(68.8)</b>	<b>(72.4)</b>	<b>(75.9)</b>
<b>NOI of the Project</b>	<b>29.4</b>	<b>352.7</b>	<b>161.0</b>	<b>520.0</b>	<b>545.8</b>	<b>572.8</b>	<b>601.2</b>	<b>631.0</b>	<b>662.2</b>	<b>695.0</b>	<b>714.9</b>	<b>730.2</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	9,127.8	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	91.3	-
<b>Net Cash Flow from Project</b>	<b>30.7</b>	<b>582.3</b>	<b>381.9</b>	<b>525.1</b>	<b>550.4</b>	<b>576.9</b>	<b>604.7</b>	<b>633.9</b>	<b>664.5</b>	<b>696.6</b>	<b>9,752.7</b>	<b>731.2</b>
Discount Rate	<b>11.75%</b>											
<b>NPV</b>	<b>₹ 6,446.01</b>											



8.4.2 Alpha House

Alpha		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	14.8	177.1	179.0	192.8	213.7	198.9	215.0	234.8	246.5	258.9	271.8	285.4
Fresh Leasing	-	39.4	54.7	57.5	60.4	63.4	66.5	69.9	73.4	74.0	77.0	80.9
Vacancy Provision	(0.4)	(5.4)	(5.8)	(6.3)	(6.9)	(6.6)	(7.0)	(7.6)	(8.0)	(8.3)	(8.7)	(9.2)
<b>Total Rental Income</b>	<b>14.5</b>	<b>211.1</b>	<b>227.9</b>	<b>244.0</b>	<b>267.2</b>	<b>255.7</b>	<b>274.6</b>	<b>297.0</b>	<b>311.9</b>	<b>324.5</b>	<b>340.1</b>	<b>357.1</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	26.2	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	114.1	138.1	140.2	140.2	140.2	140.2	140.2	140.2	140.2	140.2	140.2	140.2
Interest on security deposit	0.6	8.3	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
CAM Income	0.9	11.5	12.6	13.2	13.9	14.5	18.0	19.4	20.4	21.5	22.6	23.8
Property Tax Recovery	0.2	2.1	2.2	2.3	2.5	2.6	2.7	2.8	3.0	3.1	3.3	3.4
<b>Total Income</b>	<b>15.5</b>	<b>224.7</b>	<b>242.7</b>	<b>259.6</b>	<b>283.6</b>	<b>272.8</b>	<b>295.3</b>	<b>319.3</b>	<b>335.3</b>	<b>349.1</b>	<b>366.0</b>	<b>384.3</b>
<b>Capex</b>	-	(11.6)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(0.8)	(10.0)	(10.5)	(11.1)	(11.6)	(12.2)	(12.9)	(13.6)	(14.3)	(15.0)	(15.8)	(16.6)
Payroll Expenses	-	(3.4)	(3.6)	(3.9)	(4.2)	(4.6)	(5.0)	(5.3)	(5.8)	(6.2)	(6.7)	(7.3)
Property Tax Expense	(1.0)	(12.7)	(13.3)	(14.0)	(14.7)	(15.4)	(16.2)	(17.0)	(17.8)	(18.7)	(19.7)	(20.4)
Building Maintenance Expenses	(0.3)	(4.2)	(4.6)	(4.9)	(5.3)	(5.1)	(5.5)	(5.9)	(6.2)	(6.5)	(6.8)	(7.1)
Brokerage	-	(6.7)	(3.0)	(1.9)	-	(6.8)	(3.2)	-	-	-	-	-
<b>Total Expenses</b>	<b>(2.1)</b>	<b>(36.9)</b>	<b>(35.0)</b>	<b>(35.8)</b>	<b>(35.9)</b>	<b>(44.1)</b>	<b>(42.7)</b>	<b>(41.8)</b>	<b>(44.1)</b>	<b>(46.5)</b>	<b>(49.0)</b>	<b>(51.5)</b>
<b>NOI of the Project</b>	<b>13.4</b>	<b>194.8</b>	<b>210.7</b>	<b>225.7</b>	<b>247.7</b>	<b>235.4</b>	<b>255.7</b>	<b>277.5</b>	<b>291.2</b>	<b>302.7</b>	<b>317.0</b>	<b>332.9</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	4,160.8	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	41.6	-
<b>Net Cash Flow from Project</b>	<b>14.0</b>	<b>180.6</b>	<b>211.6</b>	<b>227.3</b>	<b>250.8</b>	<b>232.0</b>	<b>255.5</b>	<b>279.9</b>	<b>293.4</b>	<b>304.6</b>	<b>4,437.8</b>	<b>334.1</b>
Discount Rate	<b>11.75%</b>											
<b>NPV</b>	<b>₹ 2,836.31</b>											



8.4.3 Delphi A

Delphi A		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	8.79	94.6	105.3	102.5	112.7	130.0	142.4	149.5	157.0	164.8	173.1	181.7
Fresh Leasing	-	12.0	15.1	15.8	16.6	17.5	18.3	19.2	20.2	20.3	21.2	22.3
Vacancy Provision	(0.22)	(2.7)	(3.0)	(3.0)	(3.2)	(3.7)	(4.0)	(4.2)	(4.4)	(4.6)	(4.9)	(5.1)
<b>Total Rental Income</b>	<b>8.6</b>	<b>104.0</b>	<b>117.4</b>	<b>115.4</b>	<b>126.1</b>	<b>143.7</b>	<b>156.7</b>	<b>164.5</b>	<b>172.7</b>	<b>180.5</b>	<b>189.4</b>	<b>198.9</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	0.05	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0
Security Deposit	-	7.2	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	57.19	64.4	64.4	64.4	64.4	64.4	64.4	64.4	64.4	64.4	64.4	64.4
Interest on security deposit	0.29	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
CAM Income	0.62	7.8	8.2	8.5	9.0	9.2	9.9	10.4	10.9	11.5	12.1	12.7
Property Tax Recovery	0.05	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.1
<b>Total Income</b>	<b>9.3</b>	<b>113.1</b>	<b>126.9</b>	<b>125.3</b>	<b>136.6</b>	<b>154.5</b>	<b>168.2</b>	<b>176.6</b>	<b>185.5</b>	<b>193.9</b>	<b>203.5</b>	<b>213.7</b>
<b>Capex</b>	-	(5.6)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(0.56)	(7.1)	(7.5)	(7.9)	(8.3)	(8.7)	(9.2)	(9.7)	(10.2)	(10.7)	(11.3)	(11.9)
Payroll Expenses	-	(1.6)	(1.8)	(1.9)	(2.0)	(2.2)	(2.4)	(2.6)	(2.8)	(3.0)	(3.2)	(3.5)
Property Tax Expense	(0.50)	(6.1)	(6.4)	(6.7)	(7.0)	(7.4)	(7.7)	(8.1)	(8.5)	(9.0)	(9.4)	(9.8)
Building Maintenance Expenses	(0.17)	(2.1)	(2.3)	(2.3)	(2.5)	(2.9)	(3.1)	(3.3)	(3.5)	(3.6)	(3.8)	(4.0)
Brokerage	-	(4.0)	(0.7)	(3.0)	(2.6)	(1.3)	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(1.2)</b>	<b>(20.9)</b>	<b>(18.6)</b>	<b>(21.8)</b>	<b>(22.5)</b>	<b>(22.5)</b>	<b>(22.4)</b>	<b>(23.7)</b>	<b>(24.9)</b>	<b>(26.3)</b>	<b>(27.7)</b>	<b>(29.1)</b>
<b>NOI of the Project</b>	<b>8.24</b>	<b>98.3</b>	<b>111.3</b>	<b>108.8</b>	<b>119.2</b>	<b>136.2</b>	<b>148.9</b>	<b>156.3</b>	<b>164.0</b>	<b>171.2</b>	<b>179.6</b>	<b>188.6</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	2,357.0	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	23.6	-
<b>Net Cash Flow from Project</b>	<b>8.5</b>	<b>90.5</b>	<b>112.2</b>	<b>107.4</b>	<b>117.9</b>	<b>135.9</b>	<b>149.6</b>	<b>156.8</b>	<b>164.4</b>	<b>171.5</b>	<b>2,513.1</b>	<b>188.4</b>
Discount Rate	11.75%											
<b>NPV</b>	<b>₹ 1,559.91</b>											



8.4.4 Delphi B

Delphi B		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	37.5	442.7	454.6	473.0	445.6	501.0	658.8	737.6	779.1	818.1	859.0	901.9
Fresh Leasing	-	16.6	23.0	24.2	25.4	26.7	28.0	29.4	30.9	32.4	34.0	35.7
Vacancy Provision	(0.9)	(11.5)	(11.9)	(12.4)	(11.8)	(13.2)	(17.2)	(19.2)	(20.2)	(21.3)	(22.3)	(23.4)
<b>Total Rental Income</b>	<b>36.5</b>	<b>447.8</b>	<b>465.7</b>	<b>484.7</b>	<b>459.3</b>	<b>514.5</b>	<b>669.7</b>	<b>747.9</b>	<b>789.7</b>	<b>829.2</b>	<b>870.7</b>	<b>914.2</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	11.1	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	244.9	255.0	255.9	255.9	255.9	255.9	255.9	255.9	255.9	255.9	255.9	255.9
Interest on security deposit	1.2	15.3	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
CAM Income	3.0	37.4	39.4	41.4	42.9	44.6	47.2	51.4	54.4	57.2	60.2	63.2
Property Tax Recovery	0.2	2.7	2.8	3.0	3.1	3.3	3.4	3.6	3.8	4.0	4.2	4.3
<b>Total Income</b>	<b>39.8</b>	<b>487.8</b>	<b>507.9</b>	<b>529.0</b>	<b>505.2</b>	<b>562.3</b>	<b>720.3</b>	<b>802.8</b>	<b>847.9</b>	<b>890.4</b>	<b>935.0</b>	<b>981.8</b>
<b>Capex</b>	-	(25.1)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(2.5)	(32.0)	(33.7)	(35.4)	(37.3)	(39.2)	(41.3)	(43.5)	(45.7)	(48.1)	(50.7)	(53.2)
Payroll Expenses	-	(7.3)	(7.9)	(8.5)	(9.2)	(9.9)	(10.7)	(11.6)	(12.5)	(13.5)	(14.6)	(15.9)
Property Tax Expense	(2.0)	(24.8)	(26.0)	(27.3)	(28.7)	(30.1)	(31.6)	(33.2)	(34.9)	(36.6)	(38.5)	(39.9)
Building Maintenance Expenses	(0.7)	(9.0)	(9.3)	(9.7)	(9.2)	(10.3)	(13.4)	(15.0)	(15.8)	(16.6)	(17.4)	(18.3)
Brokerage	-	(1.8)	(3.4)	-	(12.3)	(27.1)	(12.8)	(1.0)	-	-	-	-
<b>Total Expenses</b>	<b>(5.3)</b>	<b>(74.9)</b>	<b>(80.3)</b>	<b>(81.0)</b>	<b>(96.7)</b>	<b>(116.7)</b>	<b>(109.8)</b>	<b>(104.2)</b>	<b>(108.9)</b>	<b>(114.9)</b>	<b>(121.2)</b>	<b>(127.3)</b>
<b>NOI of the Project</b>	<b>35.2</b>	<b>423.7</b>	<b>440.3</b>	<b>457.8</b>	<b>430.0</b>	<b>483.0</b>	<b>636.6</b>	<b>714.5</b>	<b>754.8</b>	<b>792.1</b>	<b>831.3</b>	<b>872.8</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	10,909.7	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	109.1	-
<b>Net Cash Flow from Project</b>	<b>35.7</b>	<b>403.1</b>	<b>442.9</b>	<b>463.4</b>	<b>423.9</b>	<b>461.0</b>	<b>625.8</b>	<b>714.0</b>	<b>754.3</b>	<b>790.9</b>	<b>11,629.8</b>	<b>869.8</b>
Discount Rate	11.75%											
<b>NPV</b>	<b>₹ 6,880.70</b>											





8.4.5 Delphi C

Delphi C		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	10.1	118.3	119.5	127.7	151.8	164.4	174.7	183.4	192.6	202.2	212.3	222.9
Fresh Leasing	-	6.8	9.5	10.0	10.5	11.0	11.6	12.1	12.7	12.9	13.4	14.1
Vacancy Provision	(0.3)	(3.1)	(3.2)	(3.4)	(4.1)	(4.4)	(4.7)	(4.9)	(5.1)	(5.4)	(5.6)	(5.9)
<b>Total Rental Income</b>	<b>9.9</b>	<b>122.1</b>	<b>125.8</b>	<b>134.2</b>	<b>158.2</b>	<b>171.0</b>	<b>181.6</b>	<b>190.7</b>	<b>200.2</b>	<b>209.7</b>	<b>220.1</b>	<b>231.1</b>
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	4.6	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	73.5	77.7	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1
Interest on security deposit	0.4	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
CAM Income	1.0	15.8	17.3	19.0	19.6	20.9	22.1	23.5	24.8	26.0	27.8	29.5
Property Tax Recovery	0.1	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1.0	1.0
<b>Total Income</b>	<b>11.0</b>	<b>138.5</b>	<b>143.7</b>	<b>153.9</b>	<b>178.6</b>	<b>192.7</b>	<b>204.5</b>	<b>215.0</b>	<b>225.9</b>	<b>236.7</b>	<b>248.9</b>	<b>261.6</b>
Capex	-	(6.3)	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(0.6)	(8.0)	(8.4)	(8.8)	(9.3)	(9.8)	(10.3)	(10.8)	(11.4)	(12.0)	(12.6)	(13.3)
Payroll Expenses	-	(1.8)	(2.0)	(2.1)	(2.3)	(2.5)	(2.7)	(2.9)	(3.1)	(3.4)	(3.6)	(4.0)
Property Tax Expense	(0.5)	(5.9)	(6.2)	(6.5)	(6.9)	(7.2)	(7.6)	(8.0)	(8.4)	(8.8)	(9.2)	(9.6)
Building Maintenance Expenses	(0.2)	(2.4)	(2.5)	(2.7)	(3.2)	(3.4)	(3.6)	(3.8)	(4.0)	(4.2)	(4.4)	(4.6)
Brokerage	-	(0.8)	(4.6)	(5.6)	(1.9)	(0.7)	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(1.3)</b>	<b>(18.9)</b>	<b>(23.7)</b>	<b>(25.8)</b>	<b>(23.6)</b>	<b>(23.6)</b>	<b>(24.2)</b>	<b>(25.5)</b>	<b>(26.9)</b>	<b>(28.3)</b>	<b>(29.9)</b>	<b>(31.4)</b>
NOI of the Project	9.7	122.8	127.2	136.4	160.1	173.2	184.0	193.3	203.0	212.5	223.4	234.8
Terminal Value	-	-	-	-	-	-	-	-	-	-	2,935.4	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	29.4	-
<b>Net Cash Flow from Project</b>	<b>10.0</b>	<b>118.0</b>	<b>124.7</b>	<b>132.8</b>	<b>159.7</b>	<b>173.8</b>	<b>185.0</b>	<b>194.2</b>	<b>203.7</b>	<b>213.0</b>	<b>3,129.7</b>	<b>234.9</b>
Discount Rate	11.75%											
<b>NPV</b>	<b>₹ 1,943.75</b>											



8.4.6 Fairmont

Fairmont		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	45.3	509.4	451.4	541.3	558.5	600.6	641.5	673.6	707.3	742.6	779.7	818.7
Fresh Leasing	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Provision	(1.1)	(12.7)	(11.3)	(13.5)	(14.0)	(15.0)	(16.0)	(16.8)	(17.7)	(18.6)	(19.5)	(20.5)
<b>Total Rental Income</b>	<b>44.2</b>	<b>496.7</b>	<b>440.1</b>	<b>527.8</b>	<b>544.5</b>	<b>585.6</b>	<b>625.5</b>	<b>656.7</b>	<b>689.6</b>	<b>724.0</b>	<b>760.3</b>	<b>798.3</b>
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	0.5	6.0	6.3	6.6	6.9	7.3	7.7	8.0	8.4	8.9	9.3	9.7
Security Deposit	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	446.8	446.8	446.8	446.8	446.8	446.8	446.8	446.8	446.8	446.8	446.8	446.8
Interest on security deposit	2.2	26.8	26.8	26.8	26.8	26.8	26.8	26.8	26.8	26.8	26.8	26.8
CAM Income	3.5	43.8	46.0	48.4	51.0	53.6	56.4	59.4	62.5	65.8	69.3	72.8
Property Tax Recovery	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>48.1</b>	<b>546.4</b>	<b>492.5</b>	<b>582.9</b>	<b>602.5</b>	<b>646.5</b>	<b>689.6</b>	<b>724.2</b>	<b>760.5</b>	<b>798.7</b>	<b>838.8</b>	<b>880.7</b>
Capex	-	(30.1)	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(2.9)	(36.5)	(38.4)	(40.4)	(42.5)	(44.7)	(47.0)	(49.5)	(52.1)	(54.8)	(57.7)	(60.7)
Payroll Expenses	-	(8.8)	(9.5)	(10.2)	(11.0)	(11.9)	(12.9)	(13.9)	(15.0)	(16.2)	(17.5)	(19.0)
Property Tax Expense	(1.4)	(16.4)	(17.2)	(18.1)	(19.0)	(20.0)	(20.9)	(22.0)	(23.1)	(24.3)	(25.5)	(26.4)
Building Maintenance Expenses	(0.9)	(9.9)	(8.8)	(10.6)	(10.9)	(11.7)	(12.5)	(13.1)	(13.8)	(14.5)	(15.2)	(16.0)
Brokerage	-	(9.2)	(27.6)	-	(10.6)	(0.1)	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(5.1)</b>	<b>(80.8)</b>	<b>(101.4)</b>	<b>(79.2)</b>	<b>(94.0)</b>	<b>(88.4)</b>	<b>(93.4)</b>	<b>(98.5)</b>	<b>(104.0)</b>	<b>(109.8)</b>	<b>(115.9)</b>	<b>(122.1)</b>
NOI of the Project	43.0	484.8	427.4	514.2	529.9	570.0	608.7	638.8	670.3	703.4	738.1	774.6
Terminal Value	-	-	-	-	-	-	-	-	-	-	9,682.7	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	96.8	-
<b>Net Cash Flow from Project</b>	<b>45.2</b>	<b>462.3</b>	<b>417.9</b>	<b>530.4</b>	<b>535.3</b>	<b>585.0</b>	<b>623.0</b>	<b>652.4</b>	<b>683.3</b>	<b>715.7</b>	<b>10,335.6</b>	<b>785.5</b>
Discount Rate	11.75%											
<b>NPV</b>	<b>₹ 6,600.17</b>											



8.4.7 One Boulevard

One Boulevard		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	22.5	256.3	257.5	272.1	280.6	261.9	330.7	347.2	364.6	382.8	401.9	422.0
Fresh Leasing	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Provision	(0.6)	(6.4)	(6.4)	(6.8)	(7.0)	(6.5)	(8.3)	(8.7)	(9.1)	(9.6)	(10.0)	(10.6)
<b>Total Rental Income</b>	<b>22.0</b>	<b>249.9</b>	<b>251.1</b>	<b>265.3</b>	<b>273.6</b>	<b>255.3</b>	<b>322.4</b>	<b>338.5</b>	<b>355.5</b>	<b>373.2</b>	<b>391.9</b>	<b>411.5</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	153.7	153.7	153.7	153.7	153.7	153.7	153.7	153.7	153.7	153.7	153.7	153.7
Interest on security deposit	0.8	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
CAM Income	1.6	19.1	19.6	20.9	21.6	21.5	27.1	28.5	29.9	31.4	33.0	34.7
Property Tax Recovery	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>23.5</b>	<b>269.0</b>	<b>270.6</b>	<b>286.1</b>	<b>295.2</b>	<b>276.8</b>	<b>349.5</b>	<b>367.0</b>	<b>385.4</b>	<b>404.6</b>	<b>424.9</b>	<b>446.1</b>
<b>Capex</b>	-	(11.2)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(1.1)	(14.2)	(14.9)	(15.7)	(16.5)	(17.4)	(18.3)	(19.3)	(20.3)	(21.3)	(22.5)	(23.6)
Payroll Expenses	-	(3.3)	(3.5)	(3.8)	(4.1)	(4.4)	(4.8)	(5.2)	(5.6)	(6.0)	(6.5)	(7.1)
Property Tax Expense	(0.5)	(5.6)	(5.9)	(6.2)	(6.5)	(6.8)	(7.1)	(7.5)	(7.9)	(8.3)	(8.7)	(9.0)
Building Maintenance Expenses	(0.4)	(5.0)	(5.0)	(5.3)	(5.5)	(5.1)	(6.4)	(6.8)	(7.1)	(7.5)	(7.8)	(8.2)
Brokerage	-	(1.6)	(4.2)	(2.1)	(5.1)	(12.5)	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(2.0)</b>	<b>(29.6)</b>	<b>(33.5)</b>	<b>(33.1)</b>	<b>(37.7)</b>	<b>(46.2)</b>	<b>(36.7)</b>	<b>(38.7)</b>	<b>(40.9)</b>	<b>(43.1)</b>	<b>(45.5)</b>	<b>(47.9)</b>
<b>NOI of the Project</b>	<b>21.5</b>	<b>245.9</b>	<b>246.3</b>	<b>260.4</b>	<b>268.1</b>	<b>248.2</b>	<b>319.3</b>	<b>335.1</b>	<b>351.6</b>	<b>369.0</b>	<b>387.2</b>	<b>406.4</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	5,080.6	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	50.8	-
<b>Net Cash Flow from Project</b>	<b>22.3</b>	<b>237.4</b>	<b>246.3</b>	<b>262.2</b>	<b>266.7</b>	<b>239.8</b>	<b>322.1</b>	<b>337.5</b>	<b>353.7</b>	<b>370.8</b>	<b>5,418.4</b>	<b>407.4</b>
Discount Rate	11.75%											
<b>NPV</b>	<b>₹ 3,404.94</b>											



8.4.8 Prudential

Prudential		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	38.30	434.9	464.5	475.4	434.8	431.3	520.1	538.7	538.6	630.0	661.5	694.6
Fresh Leasing	-	33.6	42.2	44.3	46.5	48.8	51.3	53.8	56.5	56.8	59.4	62.3
Vacancy Provision	(0.96)	(11.7)	(12.7)	(13.0)	(12.0)	(12.0)	(14.3)	(14.8)	(14.9)	(17.2)	(18.0)	(18.9)
<b>Total Rental Income</b>	<b>37.34</b>	<b>456.8</b>	<b>494.0</b>	<b>506.7</b>	<b>469.3</b>	<b>468.1</b>	<b>557.1</b>	<b>577.8</b>	<b>580.2</b>	<b>669.6</b>	<b>702.9</b>	<b>738.0</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	0.01	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Security Deposit	-	20.2	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	283.53	303.7	303.7	303.7	303.7	303.7	303.7	303.7	303.7	303.7	303.7	303.7
Interest on security deposit	1.42	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2
CAM Income	2.91	36.3	37.6	39.0	40.0	42.0	43.7	45.6	51.6	59.8	62.8	66.0
Property Tax Recovery	0.06	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.3
<b>Total Income</b>	<b>40.32</b>	<b>494.0</b>	<b>532.5</b>	<b>546.7</b>	<b>510.3</b>	<b>511.2</b>	<b>602.0</b>	<b>624.6</b>	<b>633.1</b>	<b>730.8</b>	<b>767.2</b>	<b>805.5</b>
<b>Capex</b>	-	(24.8)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(2.74)	(34.7)	(36.5)	(38.4)	(40.4)	(42.5)	(44.8)	(47.1)	(49.6)	(52.2)	(54.9)	(57.7)
Payroll Expenses	-	(7.2)	(7.8)	(8.4)	(9.1)	(9.8)	(10.6)	(11.4)	(12.4)	(13.4)	(14.4)	(15.7)
Property Tax Expense	(0.99)	(12.0)	(12.6)	(13.3)	(13.9)	(14.6)	(15.4)	(16.1)	(16.9)	(17.8)	(18.7)	(19.4)
Building Maintenance Expenses	(0.75)	(9.1)	(9.9)	(10.1)	(9.4)	(9.4)	(11.1)	(11.6)	(11.6)	(13.4)	(14.1)	(14.8)
Brokerage	-	(3.4)	-	-	(10.0)	(19.8)	-	-	(15.9)	-	-	-
<b>Total Expenses</b>	<b>(4.48)</b>	<b>(66.5)</b>	<b>(66.8)</b>	<b>(70.3)</b>	<b>(82.8)</b>	<b>(96.1)</b>	<b>(81.9)</b>	<b>(86.2)</b>	<b>(106.3)</b>	<b>(96.7)</b>	<b>(102.1)</b>	<b>(107.5)</b>
<b>NOI of the Project</b>	<b>36.58</b>	<b>440.1</b>	<b>475.6</b>	<b>486.6</b>	<b>446.9</b>	<b>444.3</b>	<b>531.3</b>	<b>549.9</b>	<b>554.3</b>	<b>647.4</b>	<b>679.2</b>	<b>712.8</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	8,910.1	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	89.1	-
<b>Net Cash Flow from Project</b>	<b>37.26</b>	<b>421.0</b>	<b>483.9</b>	<b>494.7</b>	<b>445.8</b>	<b>433.3</b>	<b>538.3</b>	<b>556.5</b>	<b>545.0</b>	<b>652.3</b>	<b>9,504.3</b>	<b>716.3</b>
Discount Rate	11.75%											
<b>NPV</b>	<b>₹ 5,977.75</b>											



8.4.9 Spectra

Spectra		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	20.9	235.3	210.9	251.7	237.6	282.6	296.8	311.6	327.2	343.6	360.7	378.8
Fresh Leasing	-	40.0	62.3	65.4	68.7	72.1	75.8	79.5	83.5	84.5	87.7	92.1
Vacancy Provision	(0.5)	(6.9)	(6.8)	(7.9)	(7.7)	(8.9)	(9.3)	(9.8)	(10.3)	(10.7)	(11.2)	(11.8)
<b>Total Rental Income</b>	<b>20.4</b>	<b>268.5</b>	<b>266.4</b>	<b>309.2</b>	<b>298.7</b>	<b>345.9</b>	<b>363.2</b>	<b>381.4</b>	<b>400.5</b>	<b>417.4</b>	<b>437.2</b>	<b>459.1</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	29.9	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	141.7	166.6	171.6	171.6	171.6	171.6	171.6	171.6	171.6	171.6	171.6	171.6
Interest on security deposit	0.7	10.0	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
CAM Income	1.4	17.7	18.7	19.7	20.8	21.9	23.0	24.3	25.6	26.9	28.4	29.8
Property Tax Recovery	0.1	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.3	1.3	1.4	1.5
<b>Total Income</b>	<b>21.9</b>	<b>287.1</b>	<b>286.1</b>	<b>329.9</b>	<b>320.5</b>	<b>368.9</b>	<b>387.4</b>	<b>406.9</b>	<b>427.3</b>	<b>445.6</b>	<b>467.0</b>	<b>490.4</b>
<b>Capex</b>	-	(20.5)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(1.8)	(22.5)	(23.8)	(25.0)	(26.3)	(27.7)	(29.2)	(30.8)	(32.4)	(34.1)	(35.9)	(37.8)
Payroll Expenses	-	(6.0)	(6.4)	(7.0)	(7.5)	(8.1)	(8.8)	(9.5)	(10.2)	(11.0)	(11.9)	(12.9)
Property Tax Expense	(0.9)	(11.0)	(11.6)	(12.2)	(12.8)	(13.4)	(14.1)	(14.8)	(15.5)	(16.3)	(17.1)	(17.7)
Building Maintenance Expenses	(0.4)	(5.4)	(5.3)	(6.2)	(6.0)	(6.9)	(7.3)	(7.6)	(8.0)	(8.3)	(8.7)	(9.2)
Brokerage	-	(5.0)	(9.3)	-	(12.8)	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(3.1)</b>	<b>(49.9)</b>	<b>(56.4)</b>	<b>(50.3)</b>	<b>(65.4)</b>	<b>(56.2)</b>	<b>(59.3)</b>	<b>(62.6)</b>	<b>(66.1)</b>	<b>(69.8)</b>	<b>(73.7)</b>	<b>(77.7)</b>
<b>NOI of the Project</b>	<b>18.8</b>	<b>247.6</b>	<b>244.3</b>	<b>285.8</b>	<b>273.8</b>	<b>319.6</b>	<b>335.4</b>	<b>351.8</b>	<b>369.1</b>	<b>384.2</b>	<b>402.0</b>	<b>421.9</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	5,273.5	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	52.7	-
<b>Net Cash Flow from Project</b>	<b>19.5</b>	<b>226.7</b>	<b>240.0</b>	<b>289.9</b>	<b>265.3</b>	<b>323.0</b>	<b>338.4</b>	<b>354.5</b>	<b>371.4</b>	<b>386.1</b>	<b>5,624.4</b>	<b>423.0</b>
Discount Rate	<b>11.75%</b>											
<b>NPV</b>	<b>₹ 3,561.71</b>											



8.4.10 Ventura – Operational

Ventura A		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	74.4	841.2	881.7	913.1	898.7	860.5	1,001.2	1,138.8	1,169.5	1,285.4	1,355.2	1,419.4
Fresh Leasing	-	22.1	39.1	41.0	43.1	45.2	47.5	49.9	52.4	53.2	55.0	57.7
Vacancy Provision	(1.9)	(21.6)	(23.0)	(23.9)	(23.5)	(22.6)	(26.2)	(29.7)	(30.5)	(33.5)	(35.3)	(36.9)
<b>Total Rental Income</b>	<b>72.6</b>	<b>841.7</b>	<b>897.8</b>	<b>930.3</b>	<b>918.2</b>	<b>883.1</b>	<b>1,022.5</b>	<b>1,159.0</b>	<b>1,191.3</b>	<b>1,305.1</b>	<b>1,374.9</b>	<b>1,440.2</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	0.2	2.4	2.5	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.8	3.9
Security Deposit	-	18.8	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	611.8	625.9	630.6	630.6	630.6	630.6	630.6	630.6	630.6	630.6	630.6	630.6
Interest on security deposit	3.1	37.6	37.8	37.8	37.8	37.8	37.8	37.8	37.8	37.8	37.8	37.8
CAM Income	6.7	86.9	91.3	96.3	100.5	105.5	110.6	116.1	120.6	128.1	134.8	141.4
Property Tax Recovery	0.4	5.5	5.7	6.0	6.3	6.6	7.0	7.3	7.7	8.1	8.5	8.8
<b>Total Income</b>	<b>79.9</b>	<b>936.5</b>	<b>997.3</b>	<b>1,035.3</b>	<b>1,027.9</b>	<b>998.2</b>	<b>1,143.2</b>	<b>1,285.6</b>	<b>1,323.0</b>	<b>1,444.8</b>	<b>1,521.9</b>	<b>1,594.3</b>
<b>Capex</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(6.8)	(85.4)	(89.9)	(94.5)	(99.4)	(104.6)	(110.0)	(115.7)	(121.7)	(128.0)	(134.7)	(141.5)
Payroll Expenses	-	(15.2)	(16.4)	(17.8)	(19.2)	(20.7)	(22.4)	(24.2)	(26.1)	(28.2)	(30.4)	(33.1)
Property Tax Expense	(2.2)	(26.7)	(28.1)	(29.5)	(30.9)	(32.5)	(34.1)	(35.8)	(37.6)	(39.5)	(41.5)	(43.0)
Building Maintenance Expenses	(1.5)	(16.8)	(18.0)	(18.6)	(18.4)	(17.7)	(20.4)	(23.2)	(23.8)	(26.1)	(27.5)	(28.8)
Brokerage	-	(4.9)	(3.2)	-	(17.5)	(12.4)	(42.4)	-	(8.5)	(0.9)	-	-
<b>Total Expenses</b>	<b>(10.4)</b>	<b>(149.1)</b>	<b>(155.5)</b>	<b>(160.4)</b>	<b>(185.4)</b>	<b>(187.8)</b>	<b>(229.3)</b>	<b>(198.9)</b>	<b>(217.8)</b>	<b>(222.7)</b>	<b>(234.1)</b>	<b>(246.4)</b>
<b>NOI of the Project</b>	<b>69.4</b>	<b>809.1</b>	<b>862.9</b>	<b>893.6</b>	<b>878.3</b>	<b>840.4</b>	<b>976.7</b>	<b>1,109.9</b>	<b>1,137.6</b>	<b>1,249.1</b>	<b>1,315.3</b>	<b>1,376.7</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	17,208.6	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	172.1	-
<b>Net Cash Flow from Project</b>	<b>72.5</b>	<b>825.0</b>	<b>879.7</b>	<b>912.8</b>	<b>880.3</b>	<b>848.2</b>	<b>951.7</b>	<b>1,124.5</b>	<b>1,143.1</b>	<b>1,259.9</b>	<b>18,362.2</b>	<b>1,385.7</b>
Discount Rate	<b>11.75%</b>											
<b>NPV</b>	<b>₹ 11,518.56</b>											



8.4.10.1 Ventura – Under Construction

Ventura A		Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	Mar/34
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	-	36.1	122.8	129.0	135.4	142.2	149.3	156.8	164.6	172.8	181.5	190.6
<b>Total Rental Income</b>	-	35.2	119.8	125.8	132.0	138.6	145.6	152.9	160.5	168.5	176.9	185.8
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	60.3	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	-	23.1	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3	60.3
Interest on security deposit	-	1.4	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
CAM Income	-	0.2	0.7	0.7	0.8	0.8	0.9	1.0	1.1	1.1	1.2	1.3
<b>Total Income</b>	-	35.5	120.4	126.5	132.8	139.5	146.5	153.8	161.6	169.7	178.2	187.1
<b>Capex</b>	-	(119.0)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	-	(0.2)	(0.6)	(0.6)	(0.6)	(0.7)	(0.8)	(0.8)	(0.9)	(1.0)	(1.0)	(1.1)
Building Maintenance Expenses	-	(0.7)	(2.4)	(2.5)	(2.6)	(2.8)	(2.9)	(3.1)	(3.2)	(3.4)	(3.5)	(3.7)
Brokerage	-	(10.0)	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	-	(11.0)	(3.0)	(3.1)	(3.3)	(3.5)	(3.7)	(3.9)	(4.1)	(4.3)	(4.6)	(4.8)
<b>NOI of the Project</b>	-	35.3	119.9	125.9	132.2	138.8	145.7	153.0	160.7	168.7	177.2	186.0
Terminal Value	-	-	-	-	-	-	-	-	-	-	2,325.2	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	23.3	-
<b>Net Cash Flow from Project</b>	-	(93.1)	121.1	127.0	133.1	139.6	146.4	153.6	161.1	169.0	2,479.2	185.9
Discount Rate	13.00%											
<b>NPV</b>	<b>₹ 1,280.03</b>											



8.4.11 Winchester

Winchester	Apr/23	Apr/24	Apr/25	Apr/26	Apr/27	Apr/28	Apr/29	Apr/30	Apr/31	Apr/32	Apr/33	
	Mar/23	Mar/24	Mar/25	Mar/26	Mar/27	Mar/28	Mar/29	Mar/30	Mar/31	Mar/32	Mar/33	
	0	1	2	3	4	5	6	7	8	9	10	11
Rental Income	84.0	977.1	1,017.0	1,036.2	908.5	1,085.4	1,132.5	1,154.2	1,291.6	1,544.3	1,621.5	1,702.6
Fresh Leasing	-	90.7	280.2	294.2	309.0	324.4	340.6	357.7	375.5	386.3	394.3	414.0
Vacancy Provision	(2.1)	(26.7)	(32.4)	(33.3)	(30.4)	(35.2)	(36.8)	(37.8)	(41.7)	(48.3)	(50.4)	(52.9)
<b>Total Rental Income</b>	<b>81.9</b>	<b>1,041.1</b>	<b>1,264.8</b>	<b>1,297.2</b>	<b>1,187.0</b>	<b>1,374.6</b>	<b>1,436.3</b>	<b>1,474.1</b>	<b>1,625.4</b>	<b>1,882.4</b>	<b>1,965.4</b>	<b>2,063.7</b>
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	141.4	-	-	-	-	-	-	-	-	-	-
Cumulative Deposit	555.1	625.4	696.6	696.6	696.6	696.6	696.6	696.6	696.6	696.6	696.6	696.6
Interest on security deposit	2.8	37.5	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8
CAM Income	7.2	91.0	96.3	101.0	104.6	115.4	121.5	127.9	134.7	141.8	149.3	157.0
Property Tax Recovery	0.0	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8
<b>Total Income</b>	<b>89.2</b>	<b>1,132.6</b>	<b>1,361.6</b>	<b>1,398.7</b>	<b>1,292.2</b>	<b>1,490.6</b>	<b>1,558.4</b>	<b>1,602.6</b>	<b>1,760.7</b>	<b>2,024.8</b>	<b>2,115.5</b>	<b>2,221.4</b>
<b>Capex</b>	-	(78.7)	-	-	-	-	-	-	-	-	-	-
<b>Other Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
CAM Expense	(0.4)	(4.4)	(4.7)	(5.1)	(5.5)	(5.9)	(6.4)	(6.9)	(7.5)	(8.1)	(8.7)	(9.4)
Payroll Expenses	-	(22.9)	(24.7)	(26.7)	(28.8)	(31.1)	(33.6)	(36.3)	(39.2)	(42.4)	(45.7)	(49.7)
Property Tax Expense	(3.6)	(44.3)	(46.5)	(48.8)	(51.2)	(53.8)	(56.5)	(59.3)	(62.3)	(65.4)	(68.7)	(71.2)
Building Maintenance Expenses	(1.6)	(20.8)	(25.3)	(25.9)	(23.7)	(27.5)	(28.7)	(29.5)	(32.5)	(37.6)	(39.3)	(41.3)
Brokerage	-	(33.8)	(0.1)	-	(16.6)	(6.8)	-	(44.8)	(40.5)	-	-	-
<b>Total Expenses</b>	<b>(5.6)</b>	<b>(126.2)</b>	<b>(101.3)</b>	<b>(106.5)</b>	<b>(125.9)</b>	<b>(125.1)</b>	<b>(125.3)</b>	<b>(176.8)</b>	<b>(182.0)</b>	<b>(153.5)</b>	<b>(162.4)</b>	<b>(171.6)</b>
<b>NOI of the Project</b>	<b>83.5</b>	<b>1,061.1</b>	<b>1,285.7</b>	<b>1,318.1</b>	<b>1,206.6</b>	<b>1,399.7</b>	<b>1,461.9</b>	<b>1,500.0</b>	<b>1,651.8</b>	<b>1,909.0</b>	<b>1,992.3</b>	<b>2,091.1</b>
Terminal Value	-	-	-	-	-	-	-	-	-	-	26,138.8	-
Exit Brokerage	-	-	-	-	-	-	-	-	-	-	261.4	-
<b>Net Cash Flow from Project</b>	<b>86.3</b>	<b>965.3</b>	<b>1,302.1</b>	<b>1,334.0</b>	<b>1,208.0</b>	<b>1,407.2</b>	<b>1,474.9</b>	<b>1,467.6</b>	<b>1,620.6</b>	<b>1,913.2</b>	<b>27,872.3</b>	<b>2,091.6</b>
Discount Rate	<b>11.75%</b>											
<b>NPV</b>	<b>₹ 16,974.16</b>											





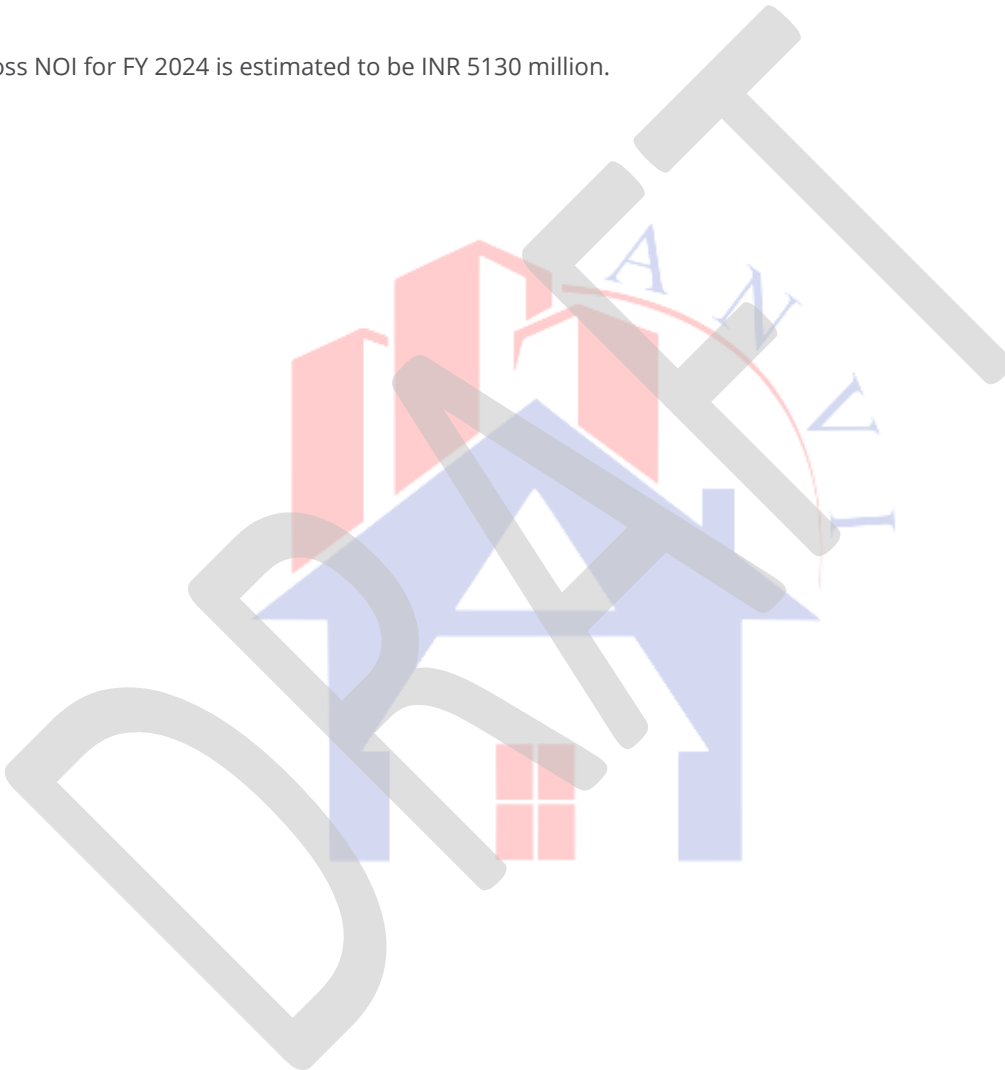
#### 8.4.12 Gross NOI for FY 2024

Gross NOI is the Full potential NOI of the property when it is completely (100%) occupied.

Following assumptions have been taken to arrive at the Gross NOI (Full Potential NOI)

- Property is completely (100%) occupied/ leased with existing leases at contracted rent and vacant spaces and rollovers at market rent
- No downtime and rent-free period (both for contractual as well as fresh/ rollover leases)
- Provisional Vacancy at 0%

Gross NOI for FY 2024 is estimated to be INR 5130 million.





## 8.5 Valuation Summary

The valuation of the nine towers of subject property is tabulated as below:

INR Mn			
Building Name	NPV - Operational	NPV - Under Construction	Total
Prudential	₹ 5,978		₹ 5,978
Delphi A	₹ 1,560		₹ 1,560
Delphi B	₹ 6,881		₹ 6,881
Delphi C	₹ 1,944		₹ 1,944
Alpha	₹ 2,836		₹ 2,836
Spectra	₹ 3,562		₹ 3,562
Ventura A	₹ 11,519	₹ 1,280	₹ 12,799
Winchester	₹ 16,974		₹ 16,974
CRISIL House	₹ 6,446		₹ 6,446
Fairmont	₹ 6,600		₹ 6,600
One Boulevard	₹ 3,405		₹ 3,405
<b>Total</b>	<b>₹ 67,704</b>	<b>₹ 1,280</b>	<b>₹ 68,984</b>

## 8.6 Ready Reckoner Value

The Ready Reckoner Value of the Subject Property considering the buildings- Fairmont, Winchester, Spectra, Prudential, Crisil House and Ventura as Industrial Park and Alpha, Delphi and One Boulevard as Commercial is estimated to be **INR 51,162 mn** (Indian Rupees Fifty-One Million One Hundred and Sixty Two thousand only)



## 9 Conclusion

We are of the opinion that the estimated market value of the subject property on as is where is basis comprising of 9 towers having a total leasable area of 27,29,496 sq.ft located at Powai, Mumbai, Maharashtra as on 31 March 2023 as estimated below is fair and reasonable.

**INR 68,984 million**

**(INR Sixty-Eight Billion Nine Hundred Eighty-Four Million only)**

For and on behalf of

**ANVI Technical Advisors India Pvt. Ltd.**

**Registered Valuer Entity, IBBI Reg No: IBBI/RV-E/02/2019/101**

**Srinivas MVDS**

Director

ANVI Technical Advisors Pvt Ltd

**Ajay Sharma A S I MRICS**

Managing Director

Valuation & Advisory Services

ANNEXURE 1: Property Snapshots



Crisil House



Alpha



Delphi



Delphi



Winchester



Fairmont



One Boulevard



Prudential



Spectra



Ventura

## ANNEXURE 2: Caveats and Assumptions

---

- The status of property is as on date of visit and data provided is to the best of our knowledge under the current circumstances and market scenario.
- The report is based on information shared by the Client which is assumed to be reliable. This report contains no representations or warranties of any kind including but not limited to warranties regarding marketability, functional, economical or technological obsolescence, and environmental contamination or flood insurance determination.
- This report does not warrant the accuracy or completeness of any public record information or data sources used to prepare the report.
- This document is confidential in nature and is for sole usage of the Client, its affiliates, designates, assignees, rating agencies, auditors, prospective investors and investors, and no other party shall have any right to rely upon the recommendations / conclusions, etc.
- The existence of this report can be published in the scheme of reorganization documents and be furnished to any stakeholder who wishes to inspect the copy of document. The report can also be provided to the regulatory authorities in connection with the proposed scheme of reorganization.
- The data provided may not be re-sold, re marketed, published, or incorporated into other products or services in any form or manner whatsoever apart from the ones stated above.
- Any market projections included in the report are based on a host of variables which are sensitive to varying conditions. Hence, the projections should be interpreted as an indicative assessment of potentialities, as opposed to certainties.
- We have assumed that the subject property is free from and clear of any and all charges, liens and encumbrances unless otherwise stated and we assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable.
- We assume that, for any use of the subject property upon which this report is based, any and all required licenses, permits, certificates, authorizations are obtained, except where otherwise stated.
- ANVI has analysed and relied on site observations, market research and analysis remarks by Colliers to arrive at the opinion of value of the Property. ANVI and Colliers jointly share the liability only towards the Client and not to any other third party for services provided and the value of opinion derived in this Report.
- The information pertaining to sales / prices has been obtained from sources deemed to be reliable, however no written confirmation or verification was made available. Hence, our analysis is limited to that extent. ANVI Technical Advisors India Pvt Ltd. Or any employee shall not be held responsible in case the same does not hold true / does not align with actual data. ANVI Technical Advisors India Pvt Ltd or any employee of ours shall not be held responsible for giving testimony or to appear in court or any other tribunal or to any government agency by reason of this report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.



## We are enterprising.

We maximize the potential of property to accelerate the success of our clients and our people.

Our expert advice to property occupiers, owners and investors leads the industry into the future. We invest in relationships to create enduring value. What sets us apart is not what we do, but how we do it. Our people are passionate, take personal responsibility and always do what's right for our clients, people and communities. We attract and develop industry leaders, empowering them to think and act differently to drive exceptional results. What's more, our global reach maximizes the potential of property, wherever our clients do business.

# **VALUATION REPORT**

## **Candor Techspace G1, Sector 48, Gurugram, NCR**

Date of Valuation: 31<sup>st</sup> March 2023

Date of Report: 16<sup>th</sup> May 2023

**Submitted to: Brookfield India Real Estate Trust**





## Disclaimer

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT" or "REIT") and / or its associates and its unitholders for the proposed acquisition. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Brookfield India REIT may share the report with its appointed advisors for any statutory or reporting requirements or include it in stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document/any publicity material / research reports / presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the property by Brookfield India REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 23rd December 2022 without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23rd December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

**Executive Summary**

<b>Candor Techspace IT/ITeS SEZ (G1), Sector - 48, Gurugram, NCR</b>	
<b>Valuation Date:</b>	31 <sup>st</sup> March 2023
<b>Site Visit Date:</b>	29 <sup>th</sup> March 2023
<b>Valuation Methodology:</b>	Discounted Cash Flow using Rental Reversion
<b>Valuation Purpose:</b>	Disclosure of valuation of asset to be formed as a part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014
<b>Location / Situation:</b>	<p>Candor TechSpace G1 (herein after referred to as G1 and/ or Subject Property) is located on Village Tikri, Sector - 48, Sohna Road, Gurugram, Haryana - 122018, one of the prime office destinations of Gurugram.</p> <p>The Subject Property is accessible via Netaji Subash Marg (60-meter-wide road), which connects it to HUDA City Centre Metro Station on West and to National Highway 8 on East.</p> <p>The Subject Property lies in close proximity to various office assets such as Spaze Group, Bestech Group, Vatika Group etc.</p> <p>The profile of surrounding development for the Subject Property constitutes developed residential and commercial developments. It is well connected with other parts of the city through road network.</p>
<b>Description:</b>	<p>G1 constitutes 12 completed buildings (with OC received) and 1 future development building. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Amenity Blocks - 1 &amp; 2.</li> <li>Future development (1) : Building name is Not Available (NA)</li> </ul> <p>The Completed buildings collectively admeasure 3,694,482 sq. ft.# of leasable area. Currently the committed occupancy in the Completed buildings is 75.43% *.</p> <p>The Future Development has a leasable area of 103,884 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. The same is expected to be ready by Q4 FY 2025-26.</p>
<b>MIOP Description:</b>	<p>Note- As per the information provided to us by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management, operations of Candor Techspace G1 and administration of the Company’s functions for a period of 30 years. As per the understanding between MIOP and Candor Techspace G1, the cashflows of the real estate operating services will be part of MIOP till 30 years, post which, the cashflows of the services will accrue to Candor Techspace G1 the same would be included while calculating the market value of G1. The above indicative range is based upon our assessment of the market dynamics likely to be prevailing in 2025.</p>



View 1 of Subject Property



View 2 of Subject Property



View 3 of Subject Property



View 4 of Subject Property



<b>Total Area:</b>	Total Land Area: 25.187 Acres Completed Leasable Area: 3,694,482 sq. ft. Future Development Leasable Area: 103,884 sq. ft. Total Leasable Area: 3,798,366 sq. ft.	
--------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

Source: Architect's Certificate (Dated: 05<sup>th</sup> May 2023), \*Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client information.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.

# The increase in leasable area is due to change in efficiency.



**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 31st March 2023, is as follows:

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Buildings	31 March 2023	INR 49,401 Million	Indian Rupees Forty-Nine Billion Four Hundred and One Million Only
Future Development	31 March 2023	INR 548 Million	Indian Rupees Five Hundred and Forty-Eight Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report

**POTENTIAL ACHIEVABLE PRICE ESTIMATION OF MIOP FOR 31ST MARCH 2025 BASED ON 28 YEARS CASHFLOW**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the potential achievable price of MIOP in the year 2025 is likely to be in the range of **INR 1,486 Million for completed buildings and INR 67 Million for Future development.**

(The above indicative is based upon our assessment of the market dynamics likely to be prevailing in 2025. It may be noted that the Brookfield REIT entity has the option to buy the MIOP entity after 31<sup>st</sup> March 2025. Hence, the potential achievable price for March 2025 is stated above.

*Note- As per the information provided to us by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management, operations of Candor Techspace G1 and administration of the Company's functions for a period of 30 years. As per the understanding between MIOP and Candor Techspace G1, the cashflows of the real estate operating services will be part of MIOP till 30 years, post which, the cashflows of the services will accrue to Candor Techspace G1 the same would be included while calculating the market value of G1. The above indicative range is based upon our assessment of the market dynamics likely to be prevailing in 2025.*



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To: Brookfield India Real Estate Trust**

**Property: Candor Techspace G1, Sector - 48, Gurugram, NCR**

**Report Date: 16<sup>th</sup> May 2023**

**Valuation Date: 31<sup>st</sup> March 2023**

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “REIT” or the “Client”)** has appointed Ms. L. Anuradha, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Gurugram (hereinafter referred to as “Subject Property” and/or “Candor Techspace G1”) for the proposed acquisition of the property under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

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

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations issued by the Securities and Exchange Board of India ("SEBI") or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to the Acquisition, including any preliminary or final international offering documents for distribution to investors outside India, and any publicity material, research reports, presentations or press releases, in connection with the Acquisition (collectively, the "Documents").

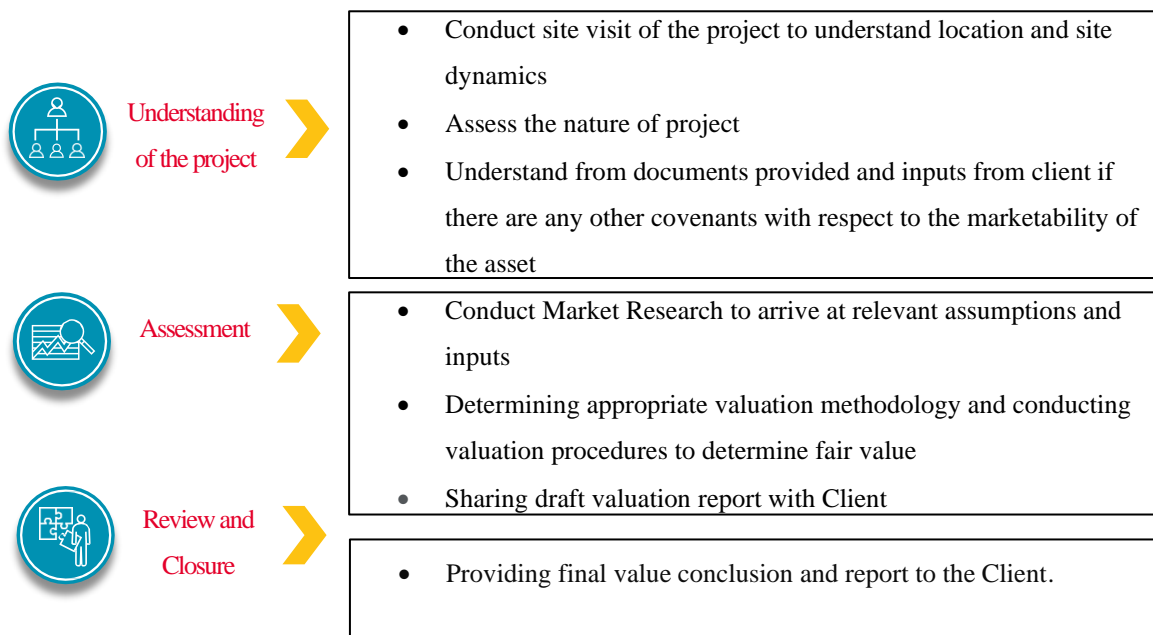


## 5 Basis of Valuation

It is understood that the valuation is required by the Client of the Subject Property which is proposed to be acquired (“Proposed Acquisition”) by Brookfield India REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purposes. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, effective from 31 January 2022.

Market Value” is defined as ‘*The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*’

## 6 Valuation Approach & Methodology



The basis of valuation for the subject Property being Market Value, the same may be derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

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



*For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.*

## **7 Assumptions, Departures and Reservations**

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

## **8 Inspection**

The Property was inspected on 29<sup>th</sup> March 2023 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, proposed to be forming part of the portfolio of Brookfield India REIT under the applicable law.



## 11 Authority

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets proposed to be forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by her due to such usage other than for the Acquisition as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in his favor, reasonably satisfactory to her for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the Acquisition including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement is extended to **Brookprop Management Services Private Limited ("Brookprop" or "The Manager")**, the **Brookfield India Real Estate Trust ("Brookfield REIT")** and their unit holders and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The auditors, debenture trustees, stock exchanges, unit holders of the REIT, **Securities and Exchange Board of India (SEBI)**, and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in this Agreement, the Valuer's total aggregate liability to the Manager arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the total fees paid to Valuer by Client hereunder.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT, the intermediaries appointed in connection with the Acquisition be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all



such cases, the Manager agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by him while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against him in this regard

#### **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

#### **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under this Agreement including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case she is insisted upon or asserted by the Client to violate any of the above said undertakings in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate this Agreement without any liability or obligation on his part.

Such termination of this Agreement shall not in any way prejudice the rights and obligations (including payment for the services delivered under this Agreement) already accrued to the Valuer, prior to such termination.



## **B National Capital Region Overview**

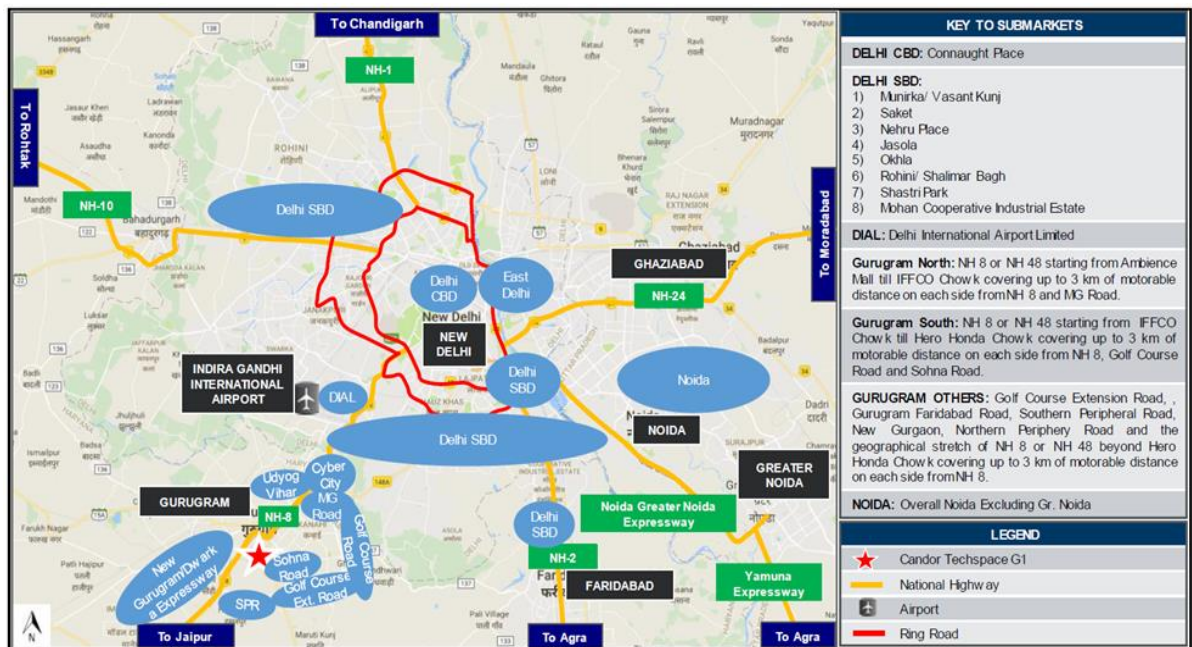
For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (*Source: www.un.org*). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan. In the last decade and half, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.

*Source: Cushman and Wakefield Research*



(Map not to scale)

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Gurugram Others)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida-Greater Noida (NGN) Expressway & Rest of Noida)
4. DIAL



The table below highlight the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL	Gurugram*	Noida	^Gurugram South
<b>Total Completed Stock till Q1 2023 (msf)</b>	88.09	3.29	1.37	61.01	22.43	16.23
<b>Current Occupied Stock till Q1 2023 (msf)</b>	67.88	2.43	1.23	48.08	16.15	12.90
<b>Current Vacancy Q1 2023 (%)</b>	22.94%	26.04%	10.03%	21.19%	28.01%	20.48%
<b>Avg. Annual Absorption - 2015 - Q1 2023 (msf)</b>	3.59	0.15	0.14	2.41	0.90	0.62
<b>Future Supply - Q2 2023 E - 2025 E (msf)</b>	13.98	-	-	12.21	1.77	1.77
<b>Market Rent - Q1 2023 (INR psf / month)</b>	87.67	142.28	224.52	94.03	54.01	92.97
<b>CAGR for Market Rent (2015 - Q1 2023)</b>	1.86%	0.92%	4.55%	2.03%	3.93%	1.34%

Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT's city market for Subject Property.
4. ^ Competitive REIT's micro market within Brookfield India REIT's city market for Subject Property.
5. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet and applying certain other criteria. Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for the Subject Property have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
9. Rentals presented above are weighted average values on completed stock.



## 2 Brookfield India REIT's City Market - Gurugram

Candor Techspace G1 is a freehold, Grade-A asset located in Gurugram city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

Gurugram (often called the millennium city) is located towards the South-West of Delhi. Gurugram falls under the Indian state of Haryana. Gurugram district is the second largest city of Haryana and serves as its industrial and financial center. As per the Census 2011, Gurugram has the 3rd highest per capita income in India after Chandigarh and Mumbai. The area of the Gurugram District is 1,258 sq. km. Connaught Place, the CBD of Delhi is at approximately 22 km from Cyber City, the CBD of Gurugram. Further, the Indira Gandhi International Airport which is currently the only International Airport servicing the civil aviation demands of NCR is located at approximately 12 km from Cyber City. Compared to other suburban locations in Delhi, Gurugram enjoys several competitive advantages like presence of large multi-national corporations (MNCs) and their corporate office hubs, presence of multiple nationalized developers, connectivity, address value, support infrastructure etc. Locational advantages along with presence of physical and social infrastructure has helped Gurugram to emerge as one of the prime office markets of NCR.



Source: Cushman and Wakefield Research

Note: SPR stands for Southern Peripheral Road

Note: The DMRC Yellow Line metro is proposed to be extended from HUDA City Centre to Udyog Vihar, via Old Gurugram and finally terminating at DLF Mousari Avenue rapid metro station. However, exact locations of metro stations are yet to be finalized. Also, a station for Delhi - Alwar RRTS is proposed at Rajiv Chowk on NH - 48. The source for the said metro routes is the information available in the public domain and may differ subject to final approvals.

(Map not to scale)





The established office clusters of Gurugram are concentrated towards Cyber City, Udyog Vihar, MG Road, Golf Course Road and Sohna Road. Golf Course Extension Road is the next emerging office location after the clusters stated above. Gurugram is primarily characterized by investment grade developments offering modern amenities. To name a few, established players like DLF, Brookfield, Hines, Vatika, Tata Realty, Ascendas, Bharti etc. have their footprint in Gurugram.

The retail landscaping of Gurugram is skewed towards retail mall format. MG Road, Golf Course Road, Sohna Road and NH 48 are the established retail mall locations of Gurugram. Galleria Market in DLF Phase - IV is one of the prominent high streets in Gurugram. Presence of a significant young working population in Gurugram led to the emergence of new formats viz. F&B hubs like DLF Cyber Hub, Sector 29 and 32nd Milestone, and are well accepted now. Golf Course Extension Road, Southern Periphery Road and Northern Periphery Road are the emerging locations for retail development. Golf Course Extension Road will have a healthy mix of high street and retail mall development formats.

The established residential clusters of Gurugram are concentrated towards Golf Course Road, Sohna Road, Sector 51 - 56 and Udyog Vihar. Golf Course Extension Road is the next emerging residential location after the clusters stated above. Southern Periphery Road and Northern Periphery Road are the upcoming residential locations.

Gurugram is divided into three office micro markets:

- a. Gurugram North - NH 48 starting from Ambience Mall till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road. The Subject Property is located in Gurugram North micro market.
- b. Gurugram South - NH 48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48, Golf Course Road and Sohna Road.
- c. Rest of Gurugram - Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurugram, Northern Periphery Road and the geographical stretch of NH 48 beyond Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48.

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

- **Connectivity and linkages:** Gurugram is well connected to other nodes of NCR via robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International airport:** Gurugram is in close proximity to airport and hence attracted large occupier base to the city. Its closeness to airport helped the city to grow at a very fast pace.
- **Presence of social and lifestyle infrastructure:** Along with good physical infrastructure the city offers a healthy mix of social and lifestyle infrastructure. Presence of good schools like Shri Ram, Shiv Nadar, Lotus valley, Suncity etc.; good hospitals like Artemis, Medanta, Fortis etc.; retail malls like Ambience mall, MGF Metropolis etc.; F&B formats like Cyber Hub, 32nd Milestone, Sector 29 etc.; crèche like Klay, IPSAA, Footprint etc.; has made Gurugram as one of the most preferred micro markets for the working population. The city offers easy accessibility to the amenities required by the working population to lead life independently.



- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** As the city is accessible through multiple modes of transportation and it offers residential spaces across various price categories, it attracts talent pool from all adjoining locations.
- **Healthy mix of commercial, IT/ITeS and SEZ developments:** Gurugram offers a healthy mix of commercial, IT/ ITeS and SEZ office space and hence attracts the occupier base across categories.

## 2.2 Key Statistics - Gurugram

Particulars	Details
<b>Total Completed Stock (Q1 2023)</b>	Approximately 61.01 msf
<b>Current Occupied Stock (Q1 2023)</b>	Approximately 48.08 msf
<b>Current Vacancy (Q1 2023)</b>	Approximately 21.19%
<b>Avg. Annual Net Absorption (2015 - Q1 2023)</b>	Approximately 2.41 msf
<b>Future Supply (Q2 2023 E - 2025 E)</b>	Q2 2023E - Q4 2023E: Approximately 1.54 msf 2024E: Approximately 4.41 msf 2025E: Approximately 6.26 msf

Source: Cushman and Wakefield Research

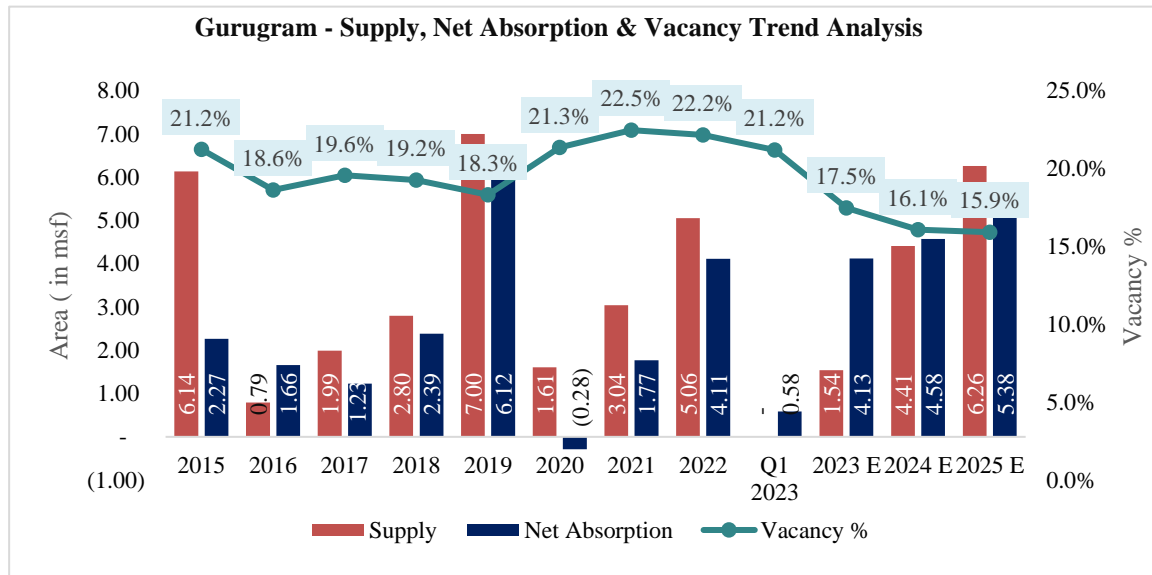
**Notes:**

1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet and applying certain other criteria
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.



### 2.3 Supply, Absorption & Vacancy

The supply, absorption & vacancy trend for Gurugram is as follows:



Source: Cushman and Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

Evolution of Gurugram as an office market has been phenomenal. With Gurugram emerging as an alternate to Delhi, it has witnessed multiple patterns of development viz. from strata sold developments to fully owned buildings and to integrated / campus developments. Supply introduced in the market in recent years has followed the demand characteristics, which gave rise to suitable patterns and quality of developments as required by the occupiers. Larger integrated / campus developments offering adequate floor plates and options for consolidation and expansion is the need of the hour. The city has been constantly striving to meet these requirements.

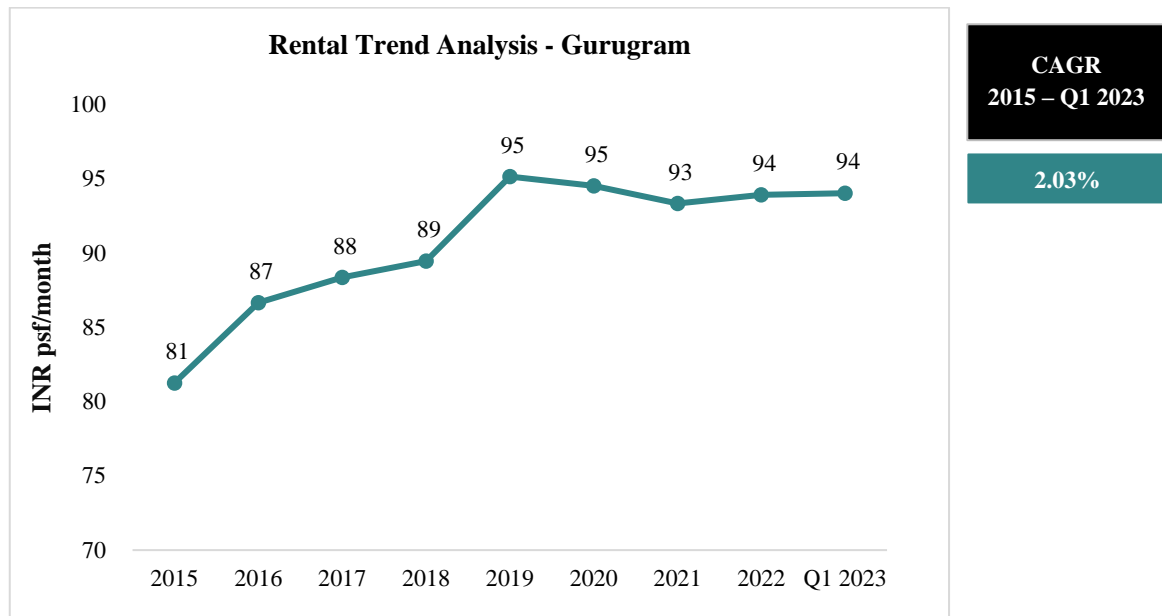
The micro markets in Gurugram developed their individual flavours in terms of nature of developments (campus and integrated) and larger developers created an ecosystem favouring their developments. With infrastructure getting a boost from the government and city limits expanding, office spaces offering better amenities are preferred over others. Brookfield India REIT's City Market has shown positive trend in supply and net absorption. The net absorption in Q1 2023 is 0.58 msf with vacancy of 21.2%.

Further, with increased hiring across the sectors specially IT and BFSI (which are large contributors to office market of India) the new demand is likely to keep growing for the office market. Gurugram's nature of hosting diverse demand from sectors like Technology, BFSI, professional services, media and telecom would help keeping the net absorption figures growing. In our view, the future supply would follow net absorption trends, maintaining the real estate growth momentum in the city. Hence, the vacancy levels are expected to continuously improve and reach around 16% by year 2025E.



## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:



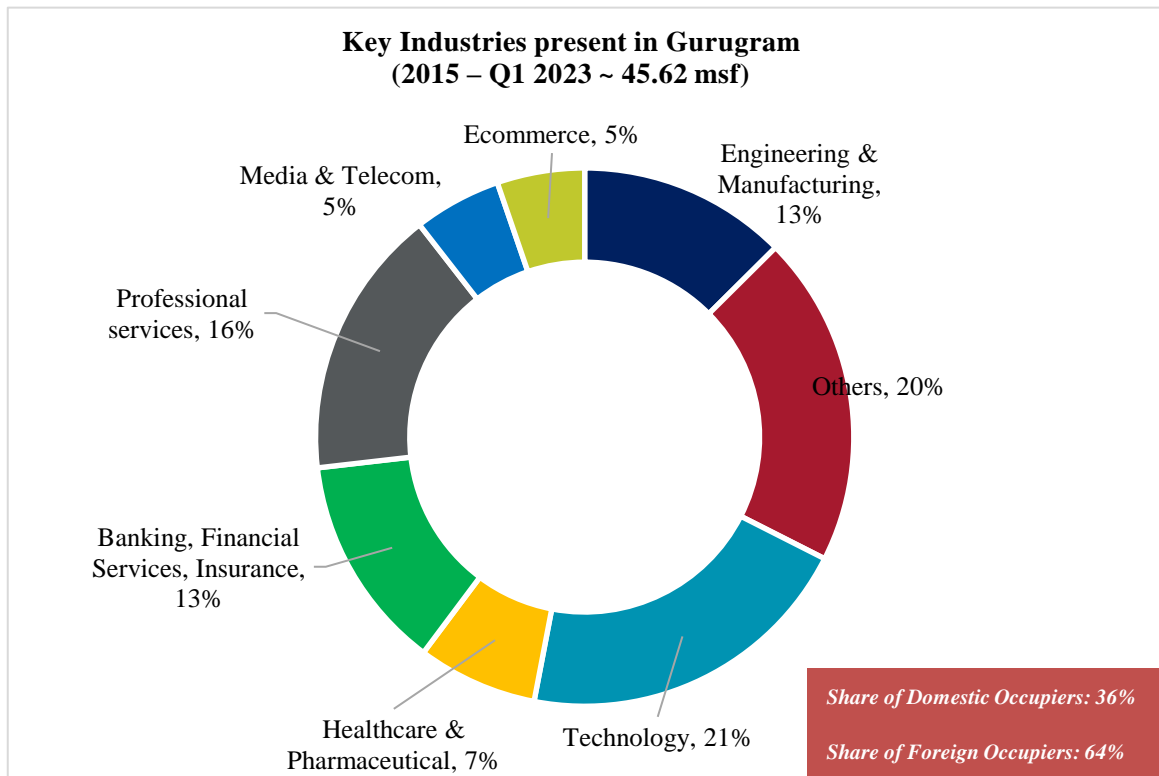
Source: Cushman and Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across Gurugram.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for competitive REIT Gurugram properties have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.

Gurugram witnessed a stabilised rental growth of approximately 2.43% between year 2015 to 2018 and witnessed sharp spike in year 2018 - 2019, resulting in a rental growth of ~6.4%. Since 2019, the rental has remained stable with CAGR of 2.03% for 2015 to Q1 2023.

## 2.5 Sectoral Demand Analysis - Gurugram (2015 - Q1 2023)



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of Gurugram's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Gurugram's office supply constitutes an equal mix of commercial and IT/ITeS developments and reflects similar positioning in demand. Technology is the prominent sector contributing 21% to the overall demand. The other prominent industries contributing 42% to the demand are professional services (16%), BFSI (13%) and Engineering & Manufacturing (13%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Gurugram is 64:36.



### **3 Gurugram South - Competitive REIT Micro Market**

#### **3.1 Overview**

Gurugram South is one of the prime office micro markets of Gurugram . The office supply constitutes a healthy mix of IT and Non-IT developments. Gurugram South has also evolved as one of the established locations for residential and retail segments. Residential supply constitutes primarily of high-rise group housing developments catering to Upper Middle-Income Group and High-Income Group. The retail landscaping of the Brookfield REIT micro market primarily consists of mall formats.

Some of the prominent office developments in the Gurugram South are Vatika One on One, One Horizon Center, Two Horizon Center, and the Subject Property. G1 is one of the largest integrated office developments in Gurugram in terms of leasable area. In addition, some of the renowned hotels in the micro market are Radisson, Hilton Garden Inn, Taj City Centre, Courtyard by Marriott, etc.



**3.2 Social and Physical Infrastructure**



Source: Cushman and Wakefield Research  
(Map not to scale)

- Key Commercial Developments
- Social Infrastructure
- Lifestyle Infrastructure
- Proposed/Under Construction Office Developments
- Hospitality Developments
- Higher Education Institutions

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Bharti Sigma Centre (1.9km)	1. Park Hospital (3.4 km)	1. Star Mall (6.2 km)	1. Vatika One On One (5.6 km)	1. The Room (1 km)	1. DPG ITM (1.5 km)
2. Capital business Park (2 km)	2. Medanta Medicity (4.1 km)	2. Sector 29 (6.8 km)		2. Radisson (2.2 km)	2. National Law College (4.2 km)
3. Express Trade Towers (2.5km)	3. Samvit Hospital (1.4 km)	3. Galleria Market (8 km)		3. Hilton Garden Inn (3.3 km)	3. Gurugram University (4.5 km)
4. Brahma Bestech Athena (7.3 km)	4. S D Adarsh Vidyalaya (2 km)	4. Good Earth City Centre (4 km)		4. Taj City Centre (5 km)	4. Management Development Institute (7.3 km)



<b>Key Office Developments</b>	<b>Social Infrastructure</b>	<b>Lifestyle Infrastructure</b>	<b>Proposed/ Under Construction Office Developments</b>	<b>Hospitality Developments</b>	<b>Higher Education Institutions</b>
5. DLF world Tech Park (7.9km)	5. G D Goenka Public School (1.2 km)	5. 32nd Avenue (5.4 km)		5. Sector 29 (7.5 km)	
6. BPTP Park Centra (8.8km)	6. Day Cares (0.5 km)	6. Ardee Mall (7 km)		6. Courtyard by Marriott (7.3 km)	

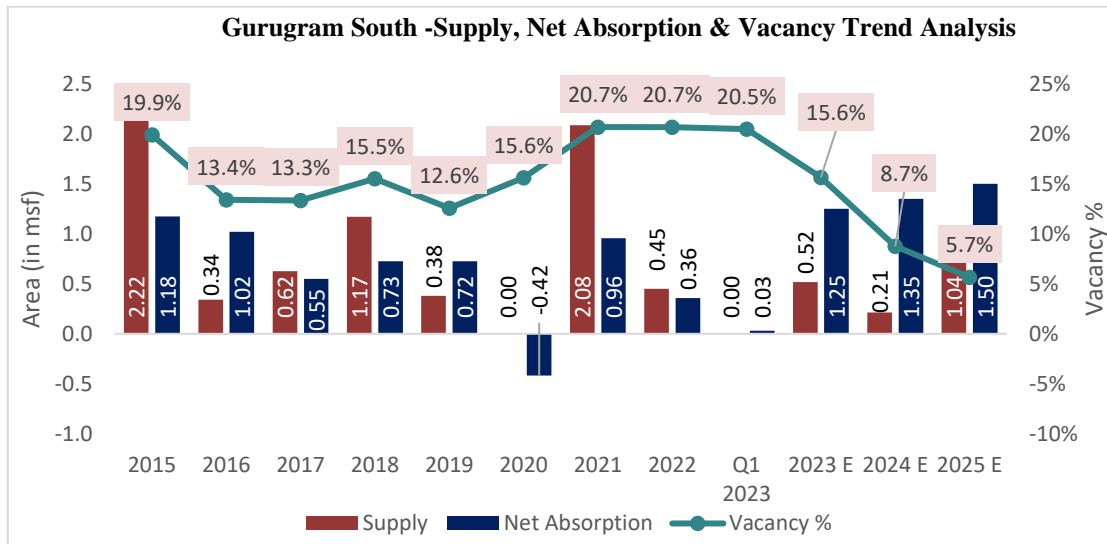
Subject Property is connected to NH-48 and Sohna Road via Netaji Subhash Marg, is the main connecting road; connecting Gurugram to other cities of NCR. Further, Sohna Road which is other major road providing connectivity to Brookfield REIT micro market is part of upcoming Delhi-Mumbai Expressway (under Bharat mala project) wherein multiple elevated corridors and underpasses are being planned across the road to ease the traffic and enhance the connectivity.

Subject Property is in proximity to exiting metro viz. HUDA City Centre Metro Station, which further enhances its accessibility from different parts of NCR. Also, the state government has approved the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting Huda City Centre Metro Station to Udyog Vihar via Subash Chowk (nearest landmark to Subject Property), Hero Honda Chowk, Old Gurugram and Palam Vihar Extension and will be having 2 new stations. PIB Approval of the same has already been obtained.





### 3.3 Supply, Absorption & Vacancy Analysis



Source: Cushman and Wakefield Research

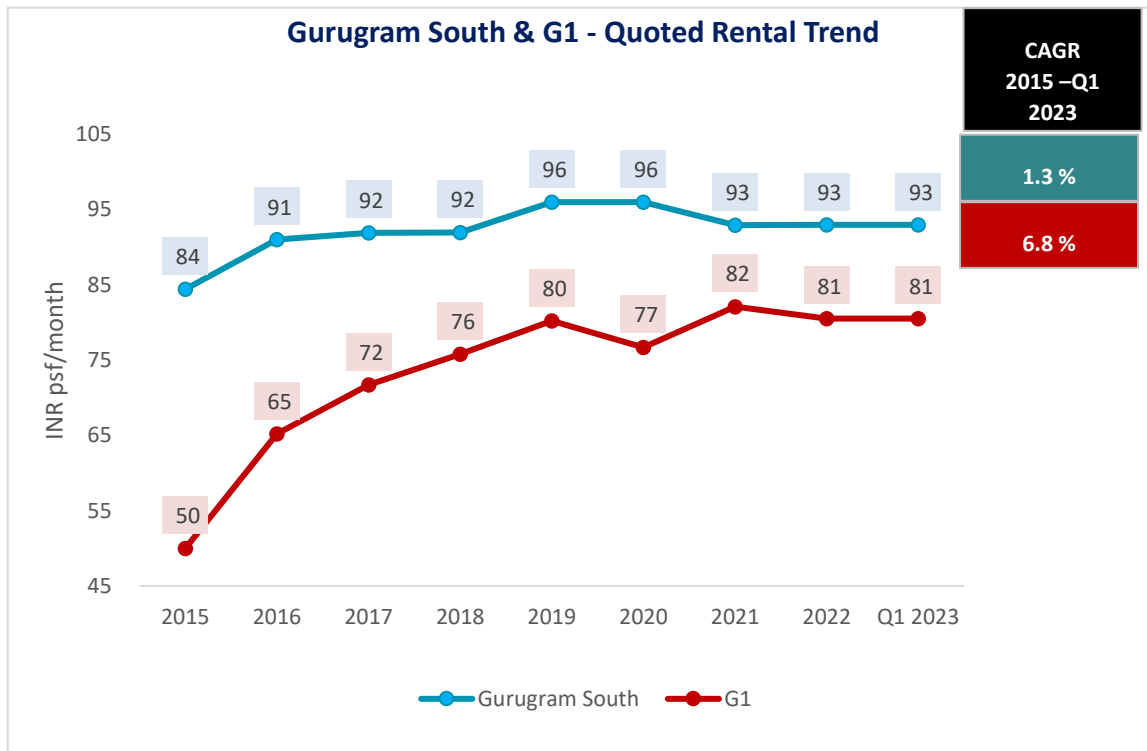
Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet of area and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

This micro market refers to the geographical stretch of NH-48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH-48, Golf Course Road and Sohna Road. It contributes 27% of total stock of gurugram. Gurugram South has witnessed stability in vacancy in the past two years. The competitive REIT micro market benefits from its location and presence of established players like Brookfield and DLF. The competitive REIT micro market offers large integrated office developments addressing the office space requirements of large occupiers. The quality of developments coupled with locational advantages will continue to drive demand for the micro market. As on Q1 2023, the vacancy stands at 20.5%. With limited supply addition in the micro market The future absorption is expected to surpass pre covid levels.



### 3.4 Rental Trend Analysis



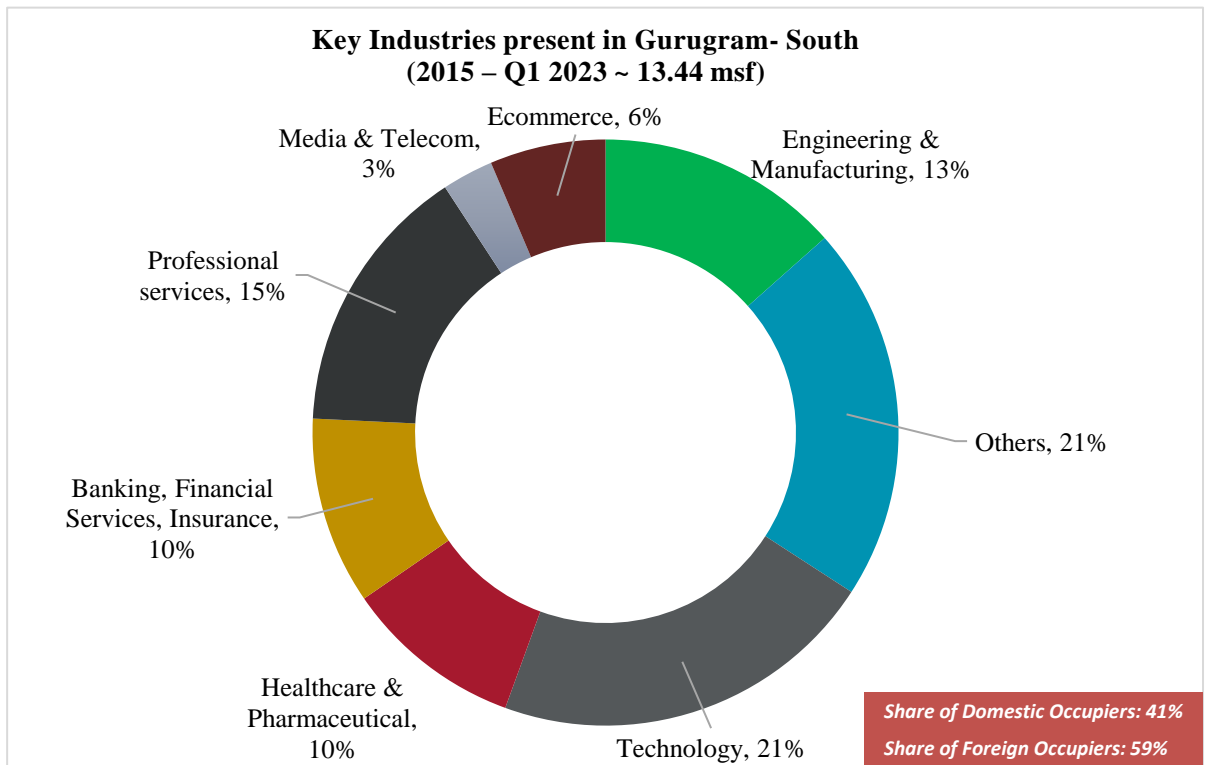
Source: Cushman and Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for the Subject Property have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.

Office micro markets across NCR have seen growth along selected clusters and in majority of the cases in specific office developments along a cluster. With occupiers preferring quality developments and spaces that allow them to implement their future expansion plans, such office developments are preferred over other developments available in same vicinity. These preferences are thus reflected on the achievable rental for an office development versus the cluster. The analysis suggests that G1 has witnessed a CAGR of 6.8% as compared to a growth of 1.3% in the Brookfield REIT micro market over the same period. The difference in rental growth substantiates the requirement and preference of occupiers for quality office space.

### 3.5 Sector Demand Analysis (2015 - Q1 2023)



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of Gurugram North's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Gurugram South is dominated by Technology and Other Services sector which together contributes 42% of the leasing activity in the years 2015 -Q1 2023. The tenants are attracted to Brookfield REIT micro market due to availability of good physical and social infrastructure. The technology occupiers in this micro market are involved in the activities of software development, process engineering, research, and development etc. The other prime contributors to the demand are Professional Services and Engineering and Manufacturing together contributing 28%. The engineering occupiers in this Brookfield REIT micro market are involved in the activities of telecom research and development, automobile sales etc. The mix of foreign vs. domestic occupants in Gurugram South is 59: 41



#### 4 Market Outlook

Gurugram South comprises some of the well-established office developments are Vatika One on One, One Horizon Center, Two Horizon Center, and the Subject Property.

The vacancy in the Competitive REIT Micro Market has shown a declining trend from 19.9% in 2015 to 12.6% in 2019. Since CY 2020 the vacancy level has increased owing to pandemic and continuous supply addition in the market. As on Q1 2023, the vacancy of the Competitive REIT Micro Market is 20.5% with 0.03 msf of net absorption during the period.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 93 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The Competitive REIT Micro Market has witnessed a rental CAGR of 1.3%, as compared of 6.8% in the Subject Property over the same period.

Work from home period has also significantly reduced and many organisations have started calling their workforce back to office. Considering the well-maintained infrastructure, key location, returning to office, the annual growth rate of 5% to 6% in market rents over medium to long term appears achievable for the Subject Property.

The Subject Property being an IT/ITeS development have prominent contribution of ~ 47% in the Competitive REIT Micro Market which enable it to cater the requirement of the large integrated office developments by the technology sector occupiers. Further we expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs will further drive significant demand in the commercial real estate sector.

Candor Techspace G1 has captured a disproportionate share of the net absorption in the micro market, by capturing 95.2% of the net absorption compared to it's market share of 66.3% of the office stock.



## **C SUBJECT PROPERTY REPORT**



## 1 Address, ownership and title details of Subject Property

Address:	Village Tikri, Sector - 48, Sohna Road, Gurugram, Haryana - 122018, India
Ownership & title details:	Land tenure: Freehold; the land and buildings thereupon are owned by Candor Gurgaon One Realty Projects Private Limited, which is proposed to be 50% owned and controlled by the Brookfield India REIT

*Source: Client Information*

### 1.1 Encumbrances

Unless disclosed and recorded in the Property Report - Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Ind-Legal (Hereinafter referred to as 'Legal Counsels'). We have not checked and verified the title of the Subject Property.

### 1.2 Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### 1.3 Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation relating to the Subject Property or any compounding charges.

## 2 Location

### 2.1 General

The Subject Property is located in Village Tikri, Sector 48, Gurugram, which falls under the Gurugram South micro market. The micro market is one of the established office, residential and retail micro-markets of Gurugram.. It is accessible via Netaji Subash Marg (60-meter-wide road) which connects it to HUDA City Centre Metro Station on west, to NH 48 on north and east and to Sohna Road on south. NH 48 is a major arterial road that connects Gurugram to other cities of NCR. Further, completion of Sohna Elevated Corridor or Sohna Gurgaon road which is six-lane wide elevated corridor, has enhanced the overall connectivity and ease of traffic congestions in the area. Being located in Gurugram South micro market, Subject Property has access to good physical and social infrastructure

G1 lies in close proximity to HUDA City Centre Metro Station which further enhances its accessibility from different parts of NCR. Moreover, the state government has approved the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting HUDA City Centre Metro Station to Udyog Vihar via Subhash Chowk (nearest landmark to Subject Property), Hero Honda Chowk, Old Gurugram and Palam Vihar Extension. Once operational, the said metro route will have 27 new stations. The approval from the central government is yet to be obtained.

The site layout map of the Subject Property is as follows:



(Map not to scale)



### **Site Boundaries**

The site boundaries the Subject Property are as follows:

North: Vacant Land Parcel

East & South: Developed Commercial and Residential Group Housing Formats

West: Vacant Land Parcel

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 0.1 km from Sohna Road
- Approximately 02 km from NH 48 (Delhi Jaipur highway)
- Approximately 07 km from HUDA City Centre Metro Station
- Approximately 10 km from Gurugram Railway Station
- Approximately 12 km from DLF Cyber City
- Approximately 21 km from IGI Airport
- Approximately 33 km from Connaught Place

## **2.3 Ground Conditions**

Based on visual inspection, there were no evidence of adverse ground conditions at the property or immediate vicinity.

## **2.4 Environmental Considerations**

We have not carried out any investigations or tests or been supplied with any information from Client or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water).

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the property with respect to risks pertaining to earthquakes, high winds/cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.





### 3 Subject Property - Asset Description

G1 is an IT/ITeS SEZ business park with 12 completed and under construction buildings along with future development area. The listing of buildings under each component is as follows:

**Completed buildings with Occupancy Certificate (OC) received** - Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Amenity Block 1 & 2

**Future development** - The future development has leasable area of 103,884 sq. ft., which is indicative and is subject to change once the internal business plans are in place or the construction is completed.

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date
Tower 1	340,830	13	26,218	Completed	NA
Tower 2	381,348	14	27,239	Completed	NA
Tower 3	309,848	11	28,168	Completed	NA
Tower 4	350,824	13	26,986	Completed	NA
Tower 5	411,187	14	29,371	Completed	NA
Tower 6	310,797	11	28,254	Completed	NA
Tower 7	362,101	13	27,854	Completed	NA
Tower 8	773,216	14	55,230	Completed	NA
Tower 9	315,135	11	28,649	Completed	NA
Tower 10 (SEZ & Customs Office)	40,965	5	8,193	Completed	NA
Amenity Block 1	70,169	3	23,390	Completed	NA
Amenity Block 2	28,061	3	9,354	Completed	NA
Tower 11	103,884	-	-	Future Development	Q3 FY 2025-26
<b>Total/WA</b>	<b>3,694,482</b>		<b>26,575</b>		

Source: Architect's Certificate (05<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received

Particulars	Details
<b>Entity:</b>	Candor Gurgaon One Realty Projects Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Gurgaon One Realty Projects Private Limited which is proposed to be 50% owned and controlled by the Brookfield India REIT <sup>1</sup>
<b>Age of building based on the date of Occupancy Certificate:</b>	Tower 1 - 5 years and 02 months Tower 2 - 8 years Tower 3 - 8 years Tower 4 - 8 years Tower 5 - 5 years and 1 months Tower 6 - 4 year and 4 months Tower 7 - 3 year and 8 months Tower 8 - 2 year and 5 months Tower 8A - 2 year and 1 months Tower 9 - 4 year and 4 months Amenity Block 1 - 2 year and 1 months Amenity Block 2 - 2 year and 5 months
<b>Asset Type:</b>	Approved IT/ITeS SEZ
<b>Sub-Market:</b>	Gurugram South
<b>Approved and Existing Usage:</b>	IT/ITeS SEZ
<b>Land Area (acres):</b>	~25.187
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	3,694,482 sq. ft.
<b>Occupied Area:</b>	2,786,867 sq. ft.
<b>Committed Occupancy (%) *</b>	75.43%
<b>Current Effective Rent (excluding parking)</b>	INR 77 per sq. ft. per month (for Office)
<b>Current Effective Rent (excluding parking)</b>	INR 75 per sq. ft. per month (including Office and Retail)
<b>Number of Tenants</b>	19 (office)*

Source: Architect's Certificate (05<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

Refer company structure set out in Annexure 2)

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable area

\*\* Wipro's (Group Companies) Includes (M/s Wipro HR Services India Private Limited and Wipro Limited) and Evalueserve's (Group Companies) includes Evalueserve SEZ (Gurgaon) Private Limited and Evalueserve.com Private limited..



### Future Development

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Gurgaon One Realty Projects Private Limited, which is proposed to be 50% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q4 FY 2025-26
<b>Asset type:</b>	Approved IT/ITeS SEZ
<b>Sub-market:</b>	Gurugram South
<b>Approved Usage:</b>	IT/ITeS SEZ
<b>Leasable Area:</b>	103,884 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (05<sup>th</sup> May 2023), and Client Information*



### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 12 operational buildings along with one future development areas was physically inspected on 29 <sup>th</sup> March 2023.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational buildings</li> <li>b. Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>c. Area provisioned for Future development.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li>• <b>Completed/ Operational Building:</b> <p>The operational buildings in the campus are Tower 1, 2, 3, 5, 6, 7, 8, 9, 10, two amenity blocks (Block 1 &amp; 2), with OC received collectively admeasure 3,694,482 sq. ft.# of leasable area.</p> <p>The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>a. Office: 10 office towers namely 1, 2, 3, 5, 6, 7, 8, 9 and 10 having leasable area of 3,596,251 sq. ft. The office towers are occupied by multiple tenants. Major tenants in these towers are Capgemini, Fidelity, Wipro, Evalueserve etc.</li> <li>b. Amenity Block: Two amenity blocks: Block 1 &amp; 2 having total leasable area of 98,230 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B (in the form of multi-cuisine food courts and in-house kitchens), bank ATM, creche, sports arena, wellness centre, etc. Major tenants in these blocks are JRD (Food Boulevard), Maira Fitness, PNR.</li> </ol> </li> <li>• <b>Future development:</b> <p>The Future Development with leasable area of 103,884 sq. ft. is expected to be completed by Q4-FY 2025-26.</p> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>• The Subject Property has STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul>	



**Awards & Certifications**

- G1 has been awarded the IGBC Platinum Rating for sustainability in addition to the BEE 5-star rating for energy efficiency and group wide ISO Certification for Quality, Environment, Occupational Health & Safety and Energy management, namely ISO 9001, ISO 14001, ISO 45001 and ISO 50001

**Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 5,780 (including future developments) parking spaces.

**Other Observations**

- The Subject Property has two entry and two exit points which are managed according to the campus traffic circulation plan.
- Apart from regular upgradation activities, the Subject Property has witnessed a major revamp (both inside and outside the campus) leading to overall improved aesthetics.
- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- The utility areas also appeared well maintained, visually.
- No instances of any major logging or water accumulation were observed during the inspection.



### 3.3 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance/upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by Cushman and Wakefield who were appointed by the Client to undertake market research and portfolio analysis of the Property proposed to be part of the REIT.

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property

Architect's Certificates (Dated: 05<sup>th</sup> May 2023) mentioning site areas and property areas

Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property

Lease agreements and commercial clauses thereof for major tenants on a sample basis

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

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



### 3.4 Tenant Profile

As of 31 March 2023, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~80% of leased area and ~78% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenant according to Leased Area	Leased Area (sq. ft.)
1	Capgemini	560,546
2	Fidelity	315,035
3	Wipro	271,043
4	Evalueserve	223,774
5	Midland Credit Management	221,794
6	Cognizant Technology	162,851
7	R1 RCM	135,441
8	NTT Data	113,858
9	Guardian	108,702
10	COLT	107,732
<b>Total</b>		<b>2,220,776</b>

Source: Rent Roll as at 31<sup>st</sup> March 2023 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Capgemini	19%
2	Fidelity	10%
3	Evalueserve**	9%
4	Midland Credit Management	8%
5	Wipro**	8%
6	Cognizant Technology	6%
7	R1 RCM	5%
8	Guardian	5%
9	COLT	4%
10	NTT Data	4%
<b>Total</b>		<b>79%</b>

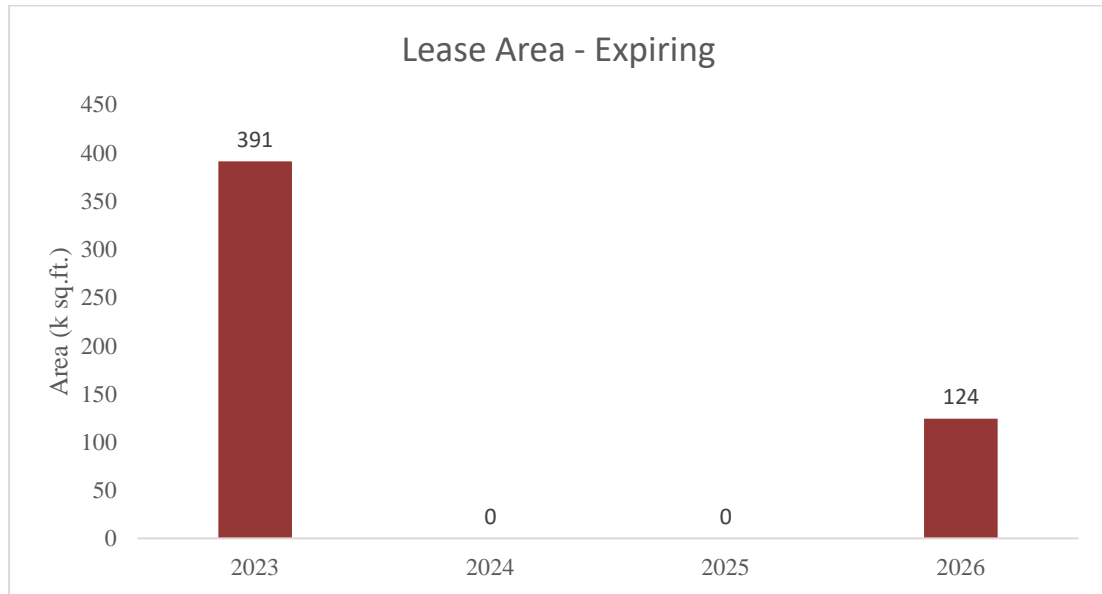
Source: Rent Roll as at 31<sup>st</sup> March 2023 and Client Information

\*\* Wipro's (Group Companies) Includes (M/s Wipro HR Services India Private Limited and Wipro Limited) and Evalueserve's (Group Companies) includes (Evalueserve SEZ (Gurgaon) Private Limited and Evalueserve.com Private Limited).



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the property is 6.7 years, with ~19% of occupied area expiring between 2023 and 2026 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 31<sup>st</sup> March 2023 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2023 represents April 2023 to December 2023.





## 4 Valuation Approach & Methodology

### 4.1 Asset-specific Review:

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and other related documents as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### 4.2 Micro-market Review:

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by the Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner

1. An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective Property vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by Cushman and Wakefield and readily available information in public domain to ascertain the transaction activity of commercial/IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).



### 4.3 Cash Flow Projections:

1. Subject property is a completed building. The cash flows has been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The following steps were undertaken to arrive at the value. The projected future cash flows from the property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1&2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11<sup>th</sup> year - considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11<sup>th</sup> year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

Property related information relied upon for the valuation exercise have been provided to the Valuer by the Client and the market data has been provided by Cushman and Wakefield, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.



## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-23
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-33

### Property Details

Property Details	Unit	Details
Total Leasable Area	Sq. ft.	3,694,482
Area Leased	Sq. ft.	2,786,867
Committed Occupancy*	%	75.43%
Vacant Area	Sq. ft.	907,615
Vacancy	%	24.57%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	Sq. ft.	815,253
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases (First Year)	Months	1
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	5780
Estimated Leasing Period	# of quarters	20

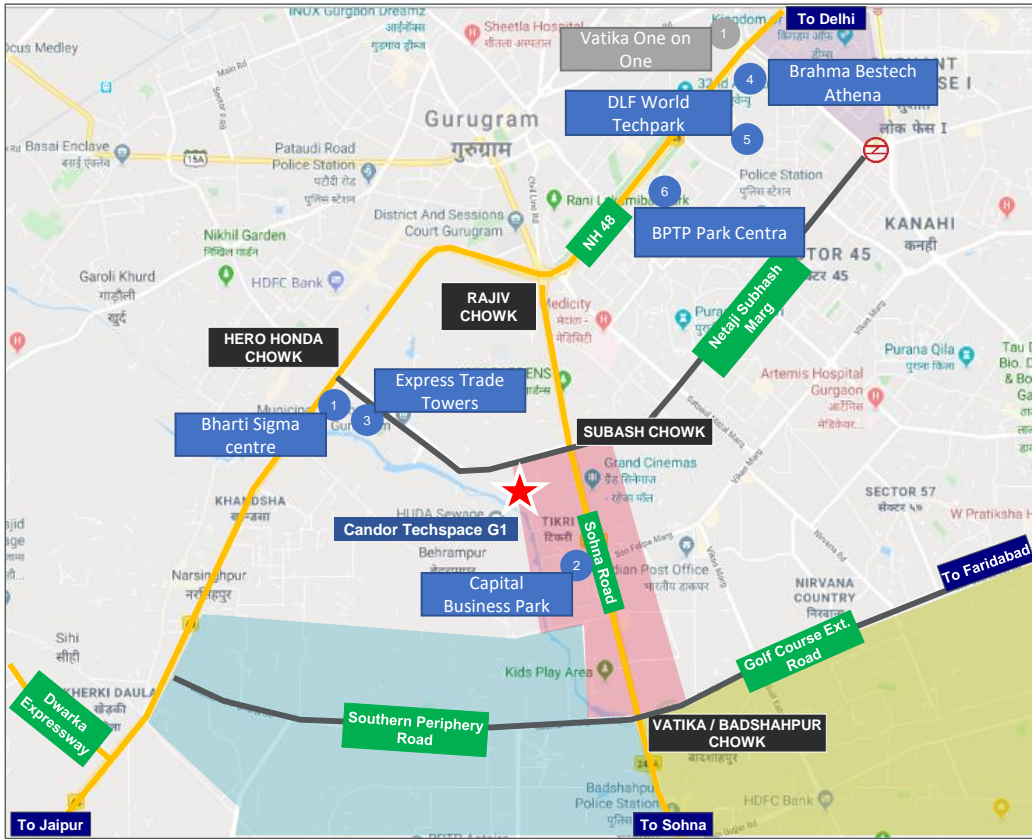
Source: Architect's Certificate (Dated: 05<sup>th</sup> May 2023), \*Rent Roll as at 31 March 2023

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable Area

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 - Q1 2023, the Gurugram South micro market has witnessed an average annual net absorption of approximately 0.62 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 1.48 msf. per annum till 2025E.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.81 msf within 20 quarters from July 2023 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2023.

**Subject Property and Relevant Existing/Upcoming Supply in the Gurugram South Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply and grey box signifies upcoming supply.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 76.00
Achievable Market Rent- Retail (Base)	Per sq. ft. per month	INR 96.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 80.00
Achievable Market Rent - Retail (including Parking)	Per sq. ft. per month	INR 100.00
Other Income	Per sq. ft. per month	INR 0.07
Rental Growth Rate (for FY'25 - FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% p.a.	4.0%
O&M Markup Growth Rate (MIOP Margin*)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.19

*Note: \*MIOP (Candor India Office Park) provides project management services to the properties of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

*\*\* Income Support is applicable on the areas that are currently vacant and on identified expiries due in FY 2024. The Income Support and CAM support of INR 80 and INR 12 PSF/Month respectively are applicable till March 31, 2024. Both will escalate by 5% from April 1, 2024 and be applicable till March 31, 2025."*

- **Market rent - office:**

- Achievable market rent includes parking charges of INR 4 per sq. ft. per month (considering the parking rent of INR 5,000 per slot per month)
- Approximately 0.07 million sq. ft. was leased in the rental range of INR 75-89 per sq. ft. per month (including parking).

#### Lease Transactions 2021-2023

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft) (Including Parking)
<b>Wipro</b>	2022	26,023	89
<b>Marelli</b>	2022	39,497	75

*Source: Rent roll as at 31<sup>st</sup> March 2023 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view of the future supply, which is very limited, enable the SEZ buildings to command a premium hence it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 80 per sq. ft. per month (including parking charges).
- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5-6% in the medium to long term.

The occupiers have started evaluating their return to office strategy. However, as the same is likely to take some time to translate into demand for office space. Hence, we have considered an annual rental growth of 6.0% during FY'25 to FY'28.



- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and MIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it; the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'23 ranges from INR 5-10 per sq. ft. per month., the total MIOP expense for the period between 1<sup>st</sup> April 2022 - 31 March 2023 for G1 is considered to be INR 38.14 Million and escalated at 8% annually for subsequent years. Thus, the MIOP expense for the period, the tenants are charged INR 3.31 - 7.74 per sq. ft. per month, based on their tenancy type on account of MIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 75% where it was more than 75%, when the area gets re-leased on expiry.
- **MIOP:** For the purpose of valuation, as per the understanding given to us by the client, we understand that G1 will not entitled to receive MIOP income and corresponding cost till FY'2053-54. Post FY'2053-54, net cash flow from MIOP will be included in the valuation. The same has been reflected in our valuation.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 6.40
Property Tax	Per sq. ft./month	INR 0.09
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

Please note that there is a general development expenditure of INR 247.4 million to be incurred on the Subject Property

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'23 and the same has been projected to increase at 5% per annum from FY'24 onwards. Insurance cost forms a part of O&M cost and has been adjusted against the O&M Margin.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

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

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

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market player





- **Discount Rate**

This discount rate applied to the available cash flows reflect the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.



**Future Development : Tower 11**

Please note that all assumptions mentioned above under the “Completed Property” section holds true for “Future development” buildings. The exceptions if any are as elaborated below:

**Property Details**

Property Details	Unit	Future Development
Total Leasable Area	Sq. ft.	103,884
Stabilized Vacancy	%	2.5%
Existing Lease Rollovers	%	100%
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	7

**Construction Related Assumptions**

Construction Related Assumptions	Units	Future Development
Start Date of Construction	MMM-YY	Apr -25
End Date of Construction	MMM-YY	Mar -26
Total Construction Cost <sup>3</sup>	INR Million	493
Construction Cost Incurred till Date	INR Million	-
Construction Cost to be Incurred	INR Million	493

Notes:

1. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 76.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 80.00
Rental Growth Rate (for FY'25 - FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% p.a.	4.0%
O&M Markup Growth Rate (MIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.19

*Note: \*MIOP (Candor India Office Park) provides project management services to the Subject Property of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

### Capitalization Rate and Discount Rate

With reference to the explanation in completed property section, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year. Owing to the various risks pertaining to the under-construction/ future development properties, we have considered a risk premium of 125bps, to derive the WACC of 13.00% for future development properties. This is in line with the expectations of international investors investing in similar assets.



## 6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows

Component	Market Value as on	In Figures	In Words
Completed Building	31 March 2023	INR 49,401 Million	Indian Rupees Forty-Nine Billion Four Hundred and One Million Only
Future Development	31 March 2023	INR 548 Million	Indian Rupees Five Hundred and Forty-Eight Million Only

### POTENTIAL ACHIEVABLE PRICE ESTIMATION OF MIOP FOR 31ST MARCH 2025 BASED ON 28 YEARS CASHFLOW

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which he has no knowledge, the potential achievable price of MIOP in the year 2025 is likely to be in the range of **INR 1,486 Million for completed buildings and INR 67 Million for Future development.**

(The above indicative is based upon our assessment of the market dynamics likely to be prevailing in 2025)

*Note- As per the information provided to us by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management, operations of Candor Techspace G1 and administration of the Company's functions for a period of 30 years. As per the understanding between MIOP and Candor Techspace G1, the cashflows of the real estate operating services will be part of MIOP till 30 years, post which, the cashflows of the services will accrue to Candor Techspace G1 the same would be included while calculating the market value of G1. The above indicative range is based upon our assessment of the market dynamics likely to be prevailing in 2025.*

### Ready Reckoner Rate

Component	Rate
Built up area	INR 6,600 per sq. ft.
Land area	INR 1,80,000 per sq. yard.

For reference, please refer Annexure 7

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

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

Prepared by

(L.Anuradha)

IBBI/RV/02/2022/14979





## **D ANNEXURES**



## Annexure 1: Cash Flows

**Completed Buildings:** with Occupancy Certificate (OC) received (Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and Amenity Block 1 & 2)

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	2,321	2,611	2,989	3,299	3,691	4,006	4,296	4,809	5,067	5,281	5,706
Parking Income	INR Million	57	57	61	62	60	59	51	37	39	40	27
O&M Markup	INR Million	194	219	246	272	306	337	351	368	384	400	418
Other Income (Telecom)	INR Million	31	32	34	36	37	39	41	43	46	48	50
<b>Total Income</b>	<b>INR Million</b>	<b>2,603</b>	<b>2,920</b>	<b>3,329</b>	<b>3,669</b>	<b>4,095</b>	<b>4,441</b>	<b>4,740</b>	<b>5,257</b>	<b>5,535</b>	<b>5,769</b>	<b>6,201</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,603</b>	<b>2,920</b>	<b>3,329</b>	<b>3,669</b>	<b>4,095</b>	<b>4,441</b>	<b>4,740</b>	<b>5,257</b>	<b>5,535</b>	<b>5,769</b>	<b>6,201</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(64)	(63)	(56)	(41)	(19)	-	-	-	-	-	-
Property Taxes	INR Million	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(7)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(69)</b>	<b>(68)</b>	<b>(60)</b>	<b>(46)</b>	<b>(24)</b>	<b>(5)</b>	<b>(5)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(7)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,535</b>	<b>2,852</b>	<b>3,269</b>	<b>3,623</b>	<b>4,072</b>	<b>4,436</b>	<b>4,735</b>	<b>5,252</b>	<b>5,529</b>	<b>5,762</b>	<b>6,194</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	77,427	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(774)	-
Fit Out Income	INR Million	28	30	30	32	35	35	37	40	40	43	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>2,563</b>	<b>2,882</b>	<b>3,299</b>	<b>3,656</b>	<b>4,107</b>	<b>4,471</b>	<b>4,772</b>	<b>5,292</b>	<b>5,569</b>	<b>82,458</b>	<b>-</b>
Maintenance Capex	INR Million	(48)	(53)	(61)	(67)	(75)	(81)	(87)	(97)	(102)	(106)	-
Brokerage Expenses	INR Million	(13)	(36)	(38)	(60)	(72)	(23)	(61)	(37)	(28)	(61)	-
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(247)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Rental Support	INR Million	1,263	737	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>3,518</b>	<b>3,529</b>	<b>3,200</b>	<b>3,528</b>	<b>3,960</b>	<b>4,366</b>	<b>4,624</b>	<b>5,158</b>	<b>5,439</b>	<b>82,290</b>	<b>-</b>

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Completed Buildings MIOP 30 Years Calculation:** with Occupancy Certificate (OC) received (Tower 1, 2, 3, 4, 5, 6, 7, 9, 10 and Amenity Block 1 & 2)

Particulars	Unit	1-Apr-23	2-Apr-25	3-Apr-26	4-Apr-27	4-Apr-28	5-Apr-29	6-Apr-30	7-Apr-31	7-Apr-32	8-Apr-33	9-Apr-34	10-Apr-35	10-Apr-36	11-Apr-37	12-Apr-38
		31-Mar-24	2-Apr-26	3-Apr-27	3-Apr-28	4-Apr-29	5-Apr-30	6-Apr-31	6-Apr-32	7-Apr-33	8-Apr-34	9-Apr-35	9-Apr-36	10-Apr-37	11-Apr-38	12-Apr-39
BIOP Income	INR Million	175.51	195.19	215.24	234.68	258.70	281.31	295.38	310.15	325.65	341.94	359.03	376.99	395.84	415.63	436.41
BIOP Expenses	INR Million	(91.11)	(91.11)	(91.11)	(98.40)	(106.28)	(114.78)	(123.96)	(133.88)	(144.59)	(156.16)	(168.65)	(182.14)	(196.71)	(212.45)	(229.44)
Net Cash Flow	INR Million	84.40	104.08	124.12	136.27	152.43	166.53	171.42	176.27	181.07	185.78	190.39	194.85	199.13	203.18	206.97
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Unit	13-Apr-39	13-Apr-40	14-Apr-41	15-Apr-42	16-Apr-43	16-Apr-44	17-Apr-45	18-Apr-46	19-Apr-47	19-Apr-48	20-Apr-49	21-Apr-50	22-Apr-51	22-Apr-52	23-Apr-53	23-Apr-54
		12-Apr-40	13-Apr-41	14-Apr-42	15-Apr-43	15-Apr-44	16-Apr-45	17-Apr-46	18-Apr-47	18-Apr-48	19-Apr-49	20-Apr-50	21-Apr-51	21-Apr-52	22-Apr-53	23-Apr-54	23-Apr-55
BIOP Income	INR Million	458.23	481.14	505.20	530.46	556.98	584.83	614.07	644.77	677.01	710.86	746.41	783.73	822.91	864.06	907.26	952.63
BIOP Expenses	INR Million	(247.80)	(267.62)	(289.03)	(312.15)	(337.13)	(364.10)	(393.22)	(424.68)	(458.66)	(495.35)	(534.98)	(577.78)	(624.00)	(673.92)	(727.83)	(786.06)
Net Cash Flow	INR Million	210.43	213.52	216.17	218.30	219.85	220.73	220.85	220.09	218.36	215.51	211.43	205.95	198.92	190.14	179.43	166.57
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,082.09	-

MIOP income has been escalated 5% p.a. and MIOP expenses has been escalated 8% p.a.

As described on page 45, as per the information given by the client, G1 is entitled to receive MIOP net income post FY'2054-55.





Future Development: Tower 11

Particulars	Unit	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28	01-Apr-29	01-Apr-30	01-Apr-31	01-Apr-32	01-Apr-33
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	-	-	-	10	70	118	124	134	138	142	154
<b>Total Income</b>	INR Million	-	-	-	12	77	128	133	144	148	153	165
<b>Total Income from occupancy</b>	INR Million	-	-	-	12	77	128	133	144	148	153	165
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	(9)	(7)	(2)	-	-	-	-	-	-
Property Taxes	INR Million	-	-	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Total Operating Costs</b>	INR Million	-	-	(9)	(7)	(2)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Net operating Income</b>	INR Million	-	-	(9)	4	75	128	133	144	148	153	165
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	2,064	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(21)	-
<b>Total Net Income</b>	INR Million	-	-	(9)	4	75	128	133	144	148	2,197	165
Maintenance Capex	INR Million	-	-	-	(0)	(1)	(2)	(2)	(3)	(3)	(3)	-
Brokerage Expenses	INR Million	-	-	-	(8)	(12)	-	-	-	-	-	-
<b>Total Construction Costs</b>	INR Million	-	-	(493)	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	-	-	(502)	(4)	62	125	131	141	145	2,194	-

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Future Development MIOP 30 Years Cashflows: Tower 11**

Particulars	Unit	1-Apr-23	2-Apr-25	3-Apr-26	4-Apr-27	4-Apr-28	5-Apr-29	6-Apr-30	7-Apr-31	7-Apr-32	8-Apr-33	9-Apr-34	10-Apr-35	10-Apr-36	11-Apr-37	12-Apr-38
		31-Mar-24	2-Apr-26	3-Apr-27	3-Apr-28	4-Apr-29	5-Apr-30	6-Apr-31	6-Apr-32	7-Apr-33	8-Apr-34	9-Apr-35	9-Apr-36	10-Apr-37	11-Apr-38	12-Apr-39
BIOP Income	INR Million	-	-	-	2.88	6.49	7.91	8.31	8.72	9.16	9.61	10.10	10.57	11.10	11.66	12.24
BIOP Expenses	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	INR Million	-	-	-	2.88	6.49	7.91	8.31	8.72	9.16	9.61	10.10	10.57	11.10	11.66	12.24
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Unit	13-Apr-39	13-Apr-40	14-Apr-41	15-Apr-42	16-Apr-43	16-Apr-44	17-Apr-45	18-Apr-46	19-Apr-47	19-Apr-48	20-Apr-49	21-Apr-50	22-Apr-51	22-Apr-52	23-Apr-53	23-Apr-54
		12-Apr-40	13-Apr-41	14-Apr-42	15-Apr-43	15-Apr-44	16-Apr-45	17-Apr-46	18-Apr-47	18-Apr-48	19-Apr-49	20-Apr-50	21-Apr-51	21-Apr-52	22-Apr-53	23-Apr-54	23-Apr-55
BIOP Income	INR Million	12.85	13.50	14.17	14.88	15.62	16.40	17.22	18.09	18.99	19.94	20.94	21.98	23.08	24.24	25.45	26.72
BIOP Expenses	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	INR Million	12.85	13.50	14.17	14.88	15.62	16.40	17.22	18.09	18.99	19.94	20.94	21.98	23.08	24.24	25.45	26.72
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334.02	-

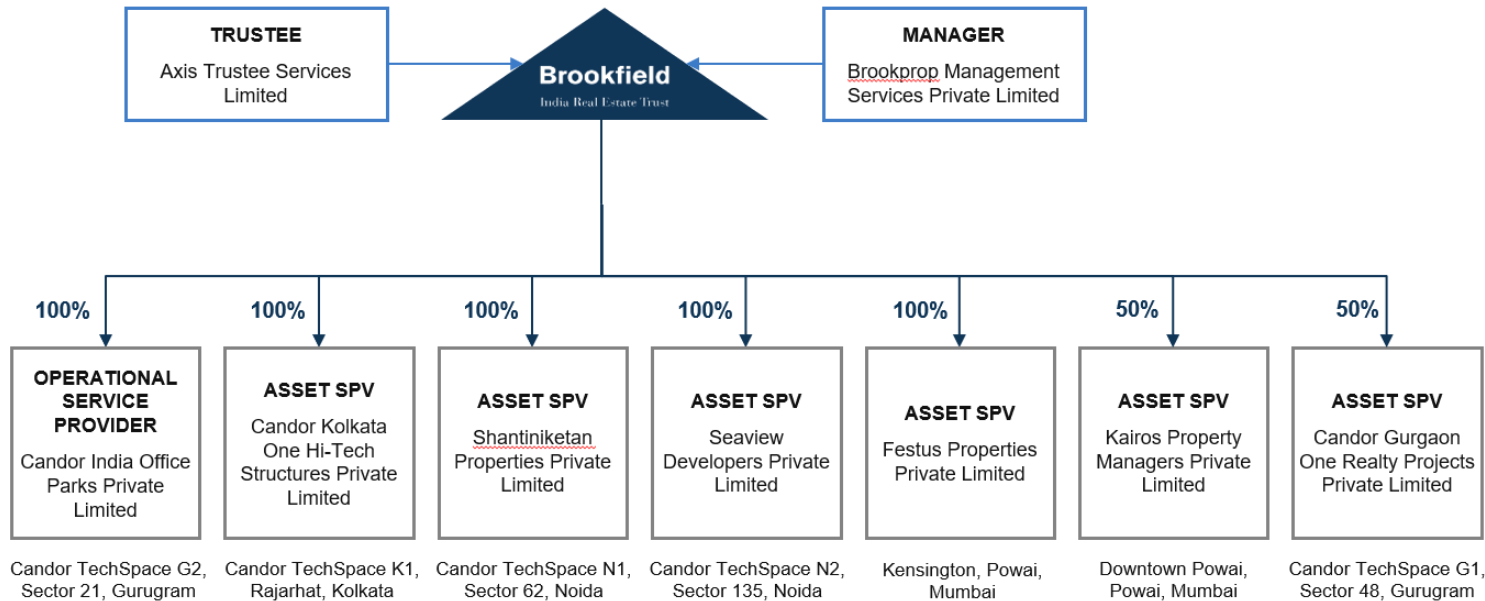
Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



Annexure 2: Proposed Ownership Structure

Holding Structure

**Brookfield**  
India Real Estate Trust

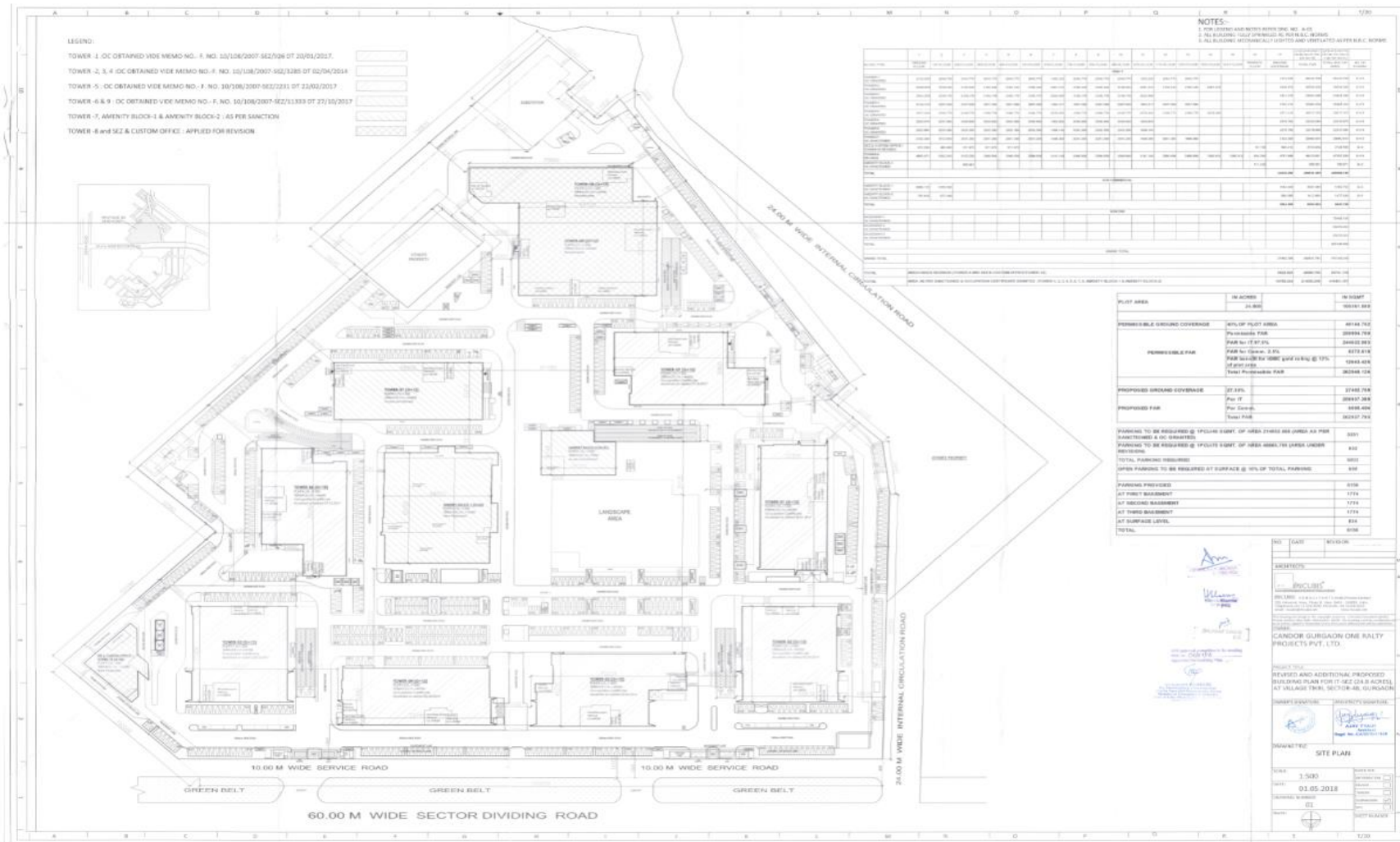


Notes:

1. By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from May 4 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020
2. The Call Option SPVs are proposed to be acquired by the Brookfield India REIT in the future, subsequent to the listing of our units, pursuant to the Call Option Agreements. For further details on the Call Option Agreements, see “Key Terms of the Formation Transactions”



Annexure 3: Site Layout (Complete & Future Development)



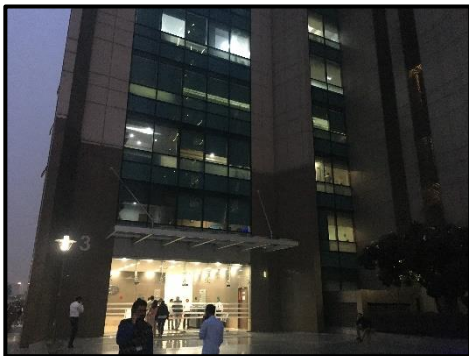
**Annexure 4: Property Photographs**



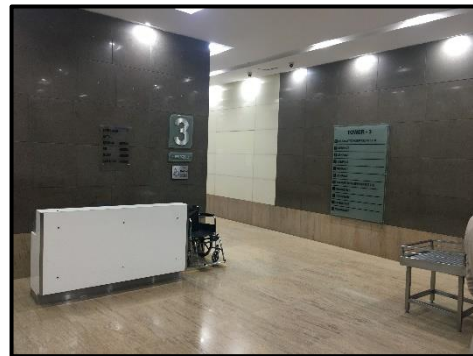
View of Tower 1



View of Tower 2 & 3



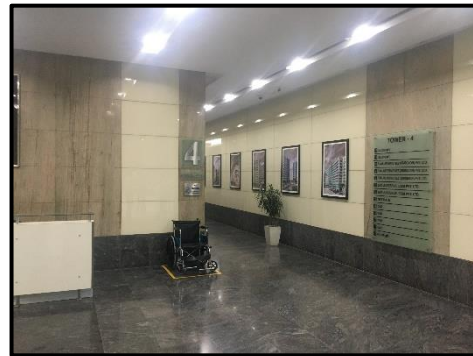
View of Tower 3



View of Tower 3



View of Tower 4



View of Tower 4



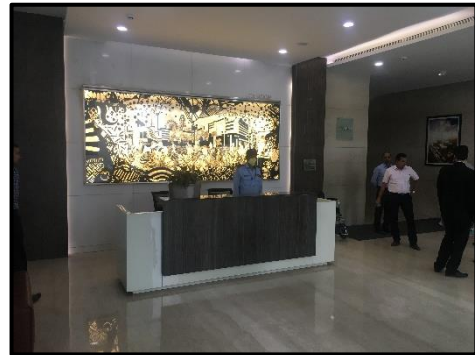
View of Tower 5



View of Amenity Block



View of Tower 6



Internal view of Tower 6



View of Tower 7



View of Tower 7



View of Tower 9



Internal view of Tower 8



View of Tower 10 (SEZ & Customs Office)



Internal view of Tower 10 (SEZ & Customs Office)



**Annexure 5: Statement of Key assets**

Building	No/Name	B1	B2	B3	B4	B5	B6	B7	B8 (UC)	B9
No of DG Capacity	KVA	(3x1500KVA+1x1010KVA)	(2x1010KVA+6x1500KVA)		(7x1500 KVA+1x1010KVA)		(3x 1500KVA)	(3x 2000 KVA)		(3x 1500KVA)
No of Transformer/Capacity	KVA	(2x1600KVA)	(2x2500KVA)	(3x1600KVA)	(2x1600KVA)	(3x2000KVA)	(2x1500KVA)	(4x2500KVA)		(2x1600KVA)
Chiller Rating	TR	( 3 X 450 TR )	( 5 X 450 TR )		( 5 X 450 TR )		( 3 X 400 TR )	( 3 X 450 TR )		( 3 X 400 TR )
Cooling Tower	TR	HVAC- 3 X 450 TR DG- 3 X 150 TR + 1 X 100 TR	HVAC- 5 X 450 TR DG- 6 X 150 TR + 2 X 100 TR		HVAC- 5 X 450 TR DG- 7 X 150 TR+ 1 X 100 TR		HVAC- 3 X 400 TR DG- 3 X 150 TR	HVAC- 3 X 450 TR DG- 3 X 200 TR		HVAC- 3 X 400 TR DG- 3 X 150 TR
FF System (Pumps & Engine)	KW/HP	Jockey Pump: 2 X 9 KW Hydrant Pump: 1 X 110KW Sprinkler Pump: (1 X 110 KW) Curtain Pump: 55 KW X 1 Engine Pump: (1 X 113.2 KW)			Jockey Pump: (2 X 9KW) Curtain Pump: 55KW X 1		Sprinkler Pump: (1 X 110 KW) 113.2 KW)			Hydrant Pump: 1*110KW Engine Pump: (1 X
Water Pumping System (Domestic & Flushing)	KW	Domestic: 2 X 11 KW Flushing: 2 X 4 KW	Domestic: 2 X 11 KW Flushing: 2 X 4 KW	Domestic: 2 X 9 KW Flushing: 2 X 3 KW	Domestic: 2 X 11 KW Flushing: 2 X 7.5 KW	Domestic: 2 X 7.5 KW Flushing: 2 X 7.5 KW	Domestic: 2 X 11 KW Flushing: 2 X 5.5 KW	Domestic: 2 X 11 KW Flushing: 2 X 7.5 KW		Domestic: 2 X 2.2 KW Flushing: 2 X 4 KW
STP Rating	KLD	630 KLD X 1 + 500 KLD X 1								
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell		Bare Shell



## **Annexure 6: List of sanctions and approvals**

List of one-time sanctions/approvals which are obtained or pending:

### **Approvals Received**

- a) Building Plan Approvals for all existing/ under construction buildings and amendments thereof
- b) Full Occupancy Certificates received for all the operational buildings
- c) Sewerage Approvals for all buildings and the common campus area
- d) Consent to Establish (CTE)
- e) Environment Clearance Certificate
- f) One-time Fire NOC
- g) Height clearance NOC from AAI
- h) SEZ Notification by The Gazette of India and by Haryana Government
- i) BOCW Registration
- j) Forest Clarification
- k) Approval of Service Plan Estimates
- l) Consent to Operate (CTO)
- m) EC (revalidation)

### **Approvals Pending**





Approvals for Future Development Area





Annexure 7: Ready Reckoner Rate

Proposed Collector rate list of Sub Tehsil Badshahpur, District Gurugram for the year 2023-24									
Sr. No.	Huda Sectors	Rates for the year of 2022-23				Proposed Rates for the year of 2023-24			
		Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO / SCS	Office /IT Space (Rs. Per Sq. feet )	Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO/SCS	Office /IT Space (Rs. Per Sq. feet )
1	Sec-33, 38, 47, 48, 49, 50	44000	165000	10000	6600	60000	180000	11000	6600
2	Sec-62, 63, 66, 69, 70, 70A, 71, 72	36500	100000	6000	4500	45000	135000	7800	4500
3	Sec-63, 63A, 64, 67, 67A, 68	28500	85000	4000	3100	35000	100000	5200	3100
4	Other Area in Sub-Tehsil Badshahpur	NA	9000	6600	NA	NA	9900	7500	NA

 Naib Tehsildar, Badshahpur  
 SDO (c) Badshahpur  
 DRO Gurugram  
 Deputy Commissioner-cdm- Registrar, Gurugram.



### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by client, following major repairs/upgrades have been taken up in the past:

- Installation of a 66 KV sub-station in the office park, which we believe has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for our tenants;
- Undertaken renovations at the office park such as refurbishing the food court, landscaping and lobby improvements to enhance the overall experience;
- Resolved traffic congestion issues by streamlining the entry and exit from the campus and using RFID parking system.; and
- Installed rooftop solar panels and additional rain water harvesting pits to reduce its carbon footprint



## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India REIT** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written



and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



**ANVI ADVISORS**

A Nex-Gen Valuation Intelligence

# BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED

Valuation of "Candor TechSpace - Commercial IT/ITeS Development Located at Sector-48, Gurgaon, Haryana.

March 2023- Final Report



Our Ref: VD2205058

May 17<sup>th</sup> , 2023

**Brookprop Management Services Private Limited**

**Candor TechSpace**

**Tower 5A, IT/ITeS SEZ, Sector 48,**

**Gurugram 122 018**

**Attn: Mr. Sarthak Patel**

**Re: Valuation of 3.8 Mn Sq.ft. commercial space located at Candor TechSpace, Sector 48, Gurugram, Haryana, 122018 for proposed acquisition of 50% stake by Brookfield India REIT (the "Subject Property or the Property or the Subject Project")**

In accordance with our terms of engagement dated May 19<sup>th</sup>, 2022, we attach our report setting out our opinion on the value of "the Subject Property or the Property or the Subject Project".

We confirm that we have carried out an inspection of the Property, made relevant enquiries and obtained such further information as we consider necessary as to allow us to provide you with our opinion of subject as of March 31<sup>st</sup>, 2023, for acquisition purpose.

Please note this report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. It has been informed by the Client that access to this report shall be provided to statutory authorities, appointed third party consultants and/or auditors of the Client. The registered valuer and Colliers both consent to provide access to this report but will have no liability to any third party other than the Client. Neither the whole nor any part of this valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except for purposes mentioned above and/or with the prior written approval of Colliers International (India) Property Services Pvt Ltd (hereinafter referred to as "Colliers") as to the form and context in which it may appear.

If you have any queries concerning the report, please feel free to contact Ajay Sharma, Managing Director at [ajay.sharma@colliers.com](mailto:ajay.sharma@colliers.com) and Srinivas MVDS, Director at [srinivas.mvds@anviadvisors.com](mailto:srinivas.mvds@anviadvisors.com), who would be pleased to assist.

Yours faithfully,

For and on Behalf of

**ANVI Technical Advisors Pvt Ltd**

**Registered Valuer Entity, IBBI Reg No: IBBI/RV-E/02/2019/101**

**Srinivas MVDS**

Director

ANVI Technical Advisors Pvt Ltd

**Ajay Sharma A S, MRICS**

Managing Director

Valuation Services

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## ABBREVIATIONS

<b>List of Abbreviations</b>	
Sq.ft.	Square feet (a measuring unit)
Kms	Kilometres (a measuring unit)
Mn	Million
INR	Indian Rupee
US\$	United State Dollar
DCF	Discounted Cash Flow
DP	Development Planning
EBIDTA	Earnings Before Interest, Depreciation, Taxes & Amortization
FSI	Floor Space Index
FAR	Floor Area Ratio
HABU	Highest and Best Use
PPP	Public Private Partnership
RICS	Royal Institution of Chartered Surveyors
MIOP	Mountainstar India Office Parks Private Limited
MRICS	Member of Royal Institution of Chartered Surveyors
NH	National Highway
SH	State Highway
U/C	Under Construction
WACC	Weighted Average Cost of Capital
NPV	Net Present Value
IRR	Internal Rate of Return
IT	Information Technology
ITeS	Information Technology Enabled Services
DMRC	Delhi Metro Rail Corporation
DC	Data Centre
Cap Rate	Capitalisation Rate
<b>Unit Conversion</b>	
1 Hectare	2.47 acres
1 acre	4046.85 sq. m
1 acre	43560 sq. ft
1 sq.m	10.764 sq. ft



# 1 EXECUTIVE SUMMARY

<b>Property Address</b>	Candor TechSpace IT/ITeS SEZ, Tikri, Sector 48, Gurgaon, Haryana,122018.																						
<b>Description</b>	<p>The Subject Property is a commercial IT/ITeS SEZ office property spread across a plot admeasuring 25.187 acres having a total operational leasable area of 3.69 Mn sq.ft. with a proposed future development of 0.1 Mn sq.ft. Out of the total operational leasable area ~75% area has already been leased out as on the date of the valuation. The entire project comprises of 12 towers including 2 Amenity blocks. The area details of the project are as following:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Leased (Sq.ft.)</th> <th>Vacant (Sq.ft.)</th> <th>Total (Sq.ft.)</th> </tr> </thead> <tbody> <tr> <td>Total Leasable Area</td> <td>27,86,867</td> <td>10,11,499</td> <td>37,98,366</td> </tr> <tr> <td>Constructed</td> <td>27,86,867</td> <td>9,07,615</td> <td>36,94,482</td> </tr> <tr> <td>Future Development</td> <td>-</td> <td>1,03,884</td> <td>1,03,884</td> </tr> <tr> <td>Under Construction</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The Subject Property consists of 5,780 car parking and out of which 3,760 parking space have been allotted and remaining 2,020 car parks are lying vacant.</p>			Particulars	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)	Total Leasable Area	27,86,867	10,11,499	37,98,366	Constructed	27,86,867	9,07,615	36,94,482	Future Development	-	1,03,884	1,03,884	Under Construction	-	-	-
Particulars	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)																				
Total Leasable Area	27,86,867	10,11,499	37,98,366																				
Constructed	27,86,867	9,07,615	36,94,482																				
Future Development	-	1,03,884	1,03,884																				
Under Construction	-	-	-																				
<b>Site Area</b>	Plot Area: 25.187 Acres Leasable Area: 3.8 Mn sq. ft.																						
<b>Registered Owner</b>	M/s. Candor Gurgaon One Realty Projects Private Limited																						
<b>Zoning</b>	IT/ITES SEZ																						
<b>Area Under Valuation</b>	Total leasable area admeasuring of 37,98,366 Sq. ft including future development area of 1,03,884sq. ft																						
<b>Purpose of Valuation</b>	For acquisition of 50% stake by Brookfield India REIT																						
<b>Valuation Approach</b>	Income Approach (Discounted Cash Flow Method)																						
<b>Valuation as of</b>	March 31 <sup>st</sup> , 2023																						
<b>Market Value of the Subject Property</b>	<b>INR 50,378 Million</b> <b>(Indian Rupees Fifty Billion Three Hundred Seventy-Eight Million Only)</b>																						
<b>Market Value of Mountainstar India Office Parks Private Limited (MIOP)</b>	<table border="1"> <thead> <tr> <th>Market Value of MIOP in the Project</th> <th>INR in Mn</th> </tr> </thead> <tbody> <tr> <td>MIOP – NPV as on March 31, 2025</td> <td>1,710</td> </tr> </tbody> </table>			Market Value of MIOP in the Project	INR in Mn	MIOP – NPV as on March 31, 2025	1,710																
Market Value of MIOP in the Project	INR in Mn																						
MIOP – NPV as on March 31, 2025	1,710																						



## 2 DETAILS

### 2.1 Terms of Engagement

On instructions received from Brookprop Management Services Private Limited (the "Client") and as agreed in our terms of engagement dated 19<sup>th</sup> May 2022, we have conducted inspection of the property and provide our opinion of the Market Value of the Property (as defined hereinafter) in its existing state, for proposed acquisition of 50% stake by Brookfield India REIT purpose only, as on March 31<sup>st</sup>, 2023 (as instructed by the client). Further, Colliers International (India) Property Services Pvt. Ltd. has reviewed the assumptions and the methodologies used for the valuation conducted by ANVI in accordance with applicable standards in the valuation report issued by ANVI.

### 2.2 The Property

The Subject Property is a commercial IT/ITeS SEZ office property spread across a plot admeasuring 25.187 acres having a total operational leasable area of 3.69 Mn sq.ft. with a proposed future development of 0.1 Mn sq.ft. The entire project comprises of 12 towers including 2 Amenity blocks.

The area details of the project are as following:

Particulars	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Total Leasable Area	27,86,867	10,11,499	37,98,366
Constructed	27,86,867	9,07,615	36,94,482
Future Development	-	1,03,884	1,03,884
Under Construction	-	-	-

Source: Client Shared Details

#### Break up of Constructed Area:

Building/ Tower Name	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Amenity I	54,108	16,061	70,169
Amenity II (Club House)	28,061	-	28,061
Tower 1	3,15,812	25,018	3,40,830
Tower 2	3,53,654	27,694	3,81,348
Tower 3	1,67,996	1,41,852	3,09,848
Tower 4	2,71,266	79,558	3,50,824
Tower 5	4,11,187	-	4,11,187
Tower 5A (SEZ Office)	-	40,965	40,965
Tower 6	3,10,797	-	3,10,797
Tower 7	2,97,519	64,582	3,62,101
Tower 8	2,61,331	5,11,885	7,73,216
Tower 9	3,15,135	-	3,15,135
<b>Total Area (Completed/Operational)</b>	<b>27,86,867</b>	<b>9,07,615</b>	<b>36,94,482</b>

Source: Client Shared Details

#### Break up of area earmarked for Future Development:

Building	Leased (Sq. Ft.)	Vacant (Sq. Ft.)	Total (Sq. Ft.)
Tower 11	-	1,03,884	1,03,884
<b>Total</b>	<b>-</b>	<b>1,03,884</b>	<b>1,03,884</b>

### 2.3 Valuation Date

As mandated by the client the date of valuation is March 31<sup>st</sup>, 2023. Due to possible changes in market forces and circumstances in relation to the Property, the report can only be regarded as representing our opinion of the value of the Property as at the date of valuation.



## 2.4 Basis of Valuation

Our valuation is provided on the basis of Market Value, which we define as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

## 2.5 Standards Adopted

The valuation report has been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Global and India valuation professional standards incorporating the International Valuation Standard Council (IVSC) valuation standards.

ANVI Technical Advisors India Private Limited (“ANVI”) and Colliers operate a compliant scheme that complies with RICS requirements, under its’ valuer registration scheme. Details of which are available upon request.

## 2.6 The Valuers

As per the requirement of law and the SEBI Regulations, Independent valuation undertaken by **ANVI Technical Advisors Private Limited**. Colliers International (India) Property Services Pvt. Ltd. has reviewed the assumptions and the methodologies used for the valuation in accordance with applicable standards.

### **Profile of the Company (ANVI Technical Advisors India Pvt Ltd)**

ANVI is the first company in India to get registered with IBBI as a Registered Valuer Entity for Land & Building vide IBBI Registration No. IBBI/RV-E/02/2019/101.

### **Srinivas MVDS (RV - Land & Building, IBBI Reg No. IBBI/RV/02/2018/10035):**

He has more than 14 years of experience in Real Estate Valuations and Construction Industry (more than 11 years in Real Estate Valuations and 3 years in Project Management). He is a Registered Valuer with IBBI (Insolvency & Bankruptcy Board of India in Land & Building vide IBBI Registration No. IBBI/RV/02/2018/10035, IOV (Institution of Valuers) and is a member of Professional Institutions like RICS (Royal Institute of Chartered Surveyors), Chartered Engineer (The Institution of Engineers, India).

**Arvind Rai** has a professional experience of over 13 years in the field Real Estate Valuation. He has a hand-on experience in valuation of all forms of real estate asset classes including residential, commercial, retail, hospitality, industrial, institutional, warehousing etc. primarily in Northern & Western India. Arvind has also the experience of undertaking litigation support cases. Arvind is M. Tech in Planning with specialization in Housing.

**Ajay Sharma**, MRICS, FIV. Ajay holds a bachelor’s in architecture degree and a Post Graduate Diploma in Advanced Construction Management and has over 14 years of real estate consulting and valuation experience across various asset classes. Ajay has provided valuation and advisory services to diverse range of clients in areas of purchase price allocation, (pre and post) accounting related valuations (IFRS, IAS, IndAS), lending-based valuation, valuations under liquidation and SARFESI and asset monetization related valuations. Further, Ajay has undertaken significant advisory work for Smart City projects, infrastructure projects, business strategies and monetization.

The above-mentioned appraisers have accepted instructions to value and assist in the valuation of as applicable the Subject Property only for the Client. They have no pecuniary interest that could reasonably be regarded as being capable



of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the Property.

## 2.7 Inspection and Investigations

Inspection of the Subject Property adequate for the purpose of this study was carried out by Lalit Jain, on April 11<sup>th</sup>, 2023. Discounted cash flow analysis has been done as of March 31<sup>st</sup>, 2023, basis the updated information and date received.

### List of Information provided by client's representative:

A checklist of information required for this valuation assignment was requested to the client's representative, before & after the site inspection. Information provided by the client representative:

- Existing rent roll for G1 as on March 31<sup>st</sup>, 2023
- Details of applicable CAM models comprising of CAM charges and CAM Cost
- Details of cost to complete as of Q1 2023
- Summary of Property Tax Payable for FY 2020-21 and FY 2021-22.
- Other Income details for year 2019-20, 2020-21, 2021-22 and 2022-23

We confirm that we have made relevant enquiries and obtained such information that we consider necessary to conduct the valuation. Investigations have been conducted independently and without influence from any third parties in any way. The information used for this report has been obtained from sources including the Client, publicly available information, our internal database, and has been verified. Details of Client's representative who provided details of subject site are provided below:

**Name:** Mr. Amit Jain

**Contact No:** +91-9910060685

No structural survey or environmental survey has been carried out. Services and facilities have not been tested.

## 2.8 Caveats and Assumptions

This report is subject to and includes our Standard Caveats and Assumptions as set out in the appendices at the end of this report, as well as our agreed terms of our engagement.

Please note the report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. It has been informed by the Client that access to this report shall be provided to statutory authorities, appointed third party consultants and/or auditors of the Client. The registered valuer and Colliers both consent to provide access to this report but will have no liability to any third party other than the Client. The whole nor any part of the valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except for the purposes mentioned above and/or with the prior written approval of ANVI and Colliers as to the form and context in which it may appear.

ANVI and Colliers shall at all times keep all information relating to this valuation report confidential and not release it to third parties, without the written consent of the client. ANVI and Colliers further confirm that their directors, employees, associates involved in this engagement shall comply with the Unpublished Price Sensitive Information ("UPS!")



framework under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including its amendments.





## 3 CITY OVERVIEW – NCR

### 3.1 Introduction

Delhi - National Capital Territory (NCT), the capital of India, is a part of the National Capital Region (NCR) and it is centrally located of NCR cities. The city, classified as one of the fastest growing metropolitan cities of the country, is located on the banks of river Yamuna. Major highways passing through Delhi and offering super connectivity to the various economic centres in the surrounding states, thus facilities trade and finance. Major National Highways (NH) such as NH-2, NH-8, NH-9, NH-10, NH-24 and NH-34 interconnects to the NCR cities and connects the capital city to prominent areas in central directions. A part of the National Highways, the outer ring road and inner ring road are major roads of the city to providing easy commute within the city limits.

### 3.2 Delhi Demographics

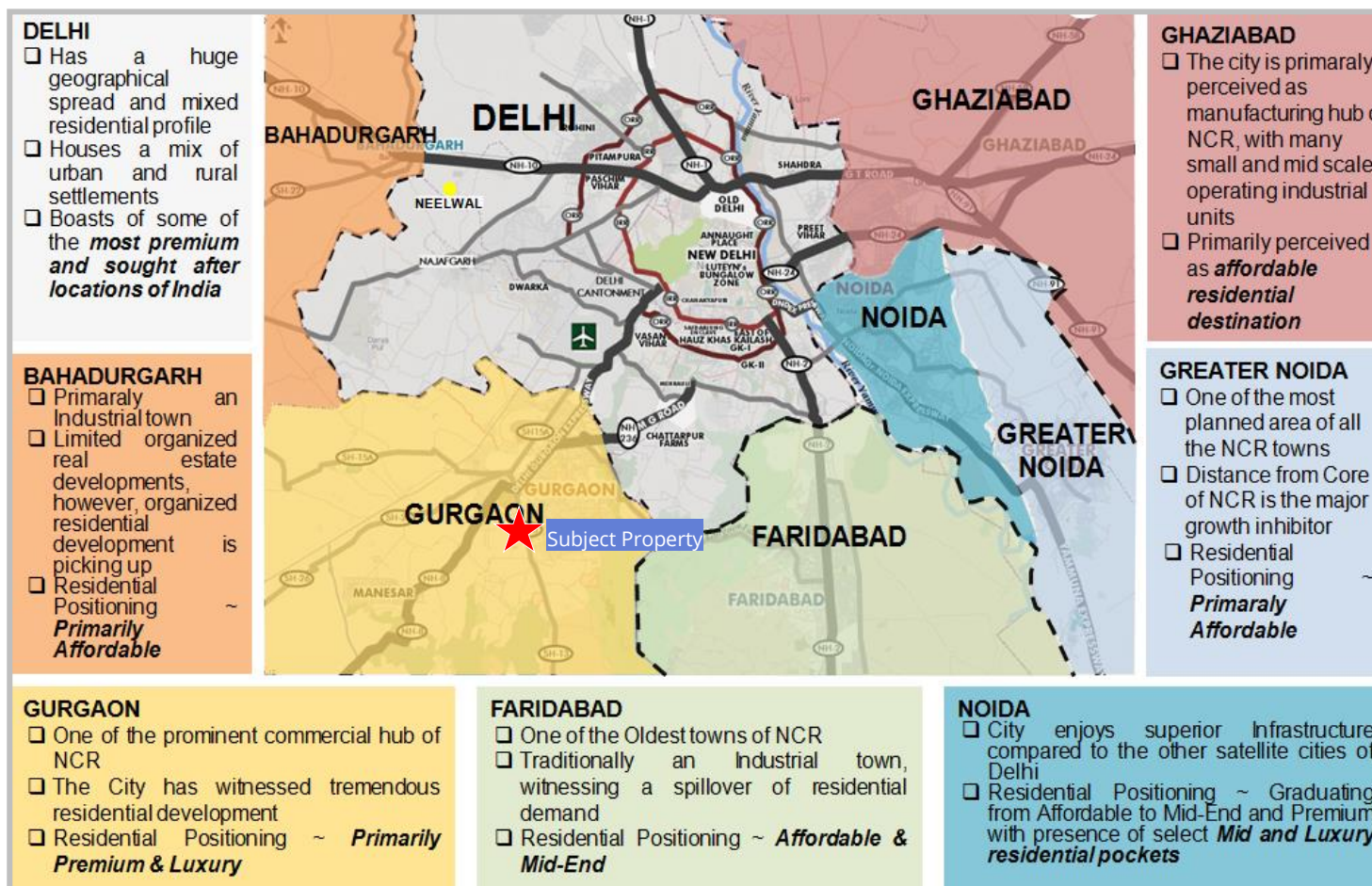
As per Census 2011, the total population of Delhi is 16,787,941 of which male and female are 8,987,326 and 7,800,615 respectively. In 2001, total population was 13,850,507 in which males were 7,607,234 while females were 6,243,273. The Delhi has recorded population growth in this decade is 17.5% with the comparison of 2011 to 2001. Delhi is accounted higher per capita income INR 3,03,073 as per GSDP (nominal) in union territories (UT) followed by Goa and Chandigarh.

Key Demographics		
Parameters	Census 2011	Census 2001
Population	16,787,941	13,850,507
Population Decadal Growth Rate (2001 to 2011)	17.5%	46.31%
Sex Ratio	869 females per 1,000 males	821 females per 1,000 males
Literacy Rate	86.21 %	81.67 %
Area in sq.km.	1,483	1,483
Density/km <sup>2</sup>	11,320	9,340



## 3.3 NCR Micro Market Positioning

Map of NCR Markets Positioning and Developments



Source: Colliers Research



### 3.4 Snapshot of Delhi-NCR Micro Markets Growth and Evolution

**Delh-NCR Growth and Evolution of Micro Markets**

Map of NCR Growth and Evolution



Micro Markets	Micro-market Synopsis
<b>Central Delhi</b>	<ul style="list-style-type: none"> <li>Political and administrative district of India due to the presence of the Indian Parliament and the various ministries.</li> <li>Characterized by presence of diplomatic missions, star category hotels, clubs and major international schools</li> <li>Connaught place is a prominent high street</li> </ul>
<b>North Delhi</b>	<ul style="list-style-type: none"> <li>The area encloses congested market places like Paharganj and the Delhi University.</li> <li>Mixed population across various income categories</li> <li>Limited retail developments witnessed in this area</li> </ul>
<b>South Delhi</b>	<ul style="list-style-type: none"> <li>The affluent profile of the residents offers immense opportunity to the thriving retail markets</li> <li>Has presence of prominent mall developments such as DLF Promenade, Emporio, Select City Walk, Ambience Mall, etc.</li> </ul>
<b>East Delhi</b>	<ul style="list-style-type: none"> <li>One of the most densely populated areas of Delhi</li> <li>However, population strata is low – mid end which has led to limited success of retail developments in the region due to lower disposable incomes</li> </ul>
<b>West Delhi</b>	<ul style="list-style-type: none"> <li>Predominantly residential catchment for mid - high level housing.</li> <li>High population concentration</li> <li>Rajouri Garden is a prominent micro market for malls and high street</li> </ul>
<b>Gurgaon</b>	<ul style="list-style-type: none"> <li>Proximity to Delhi, international airport and favorable government initiatives has made Gurgaon one of the most prominent IT/ITES hubs in India</li> </ul>



	<ul style="list-style-type: none"> <li>The growth across sectors has led to a demographic shift towards a younger, more cosmopolitan, affluent and better educated population driving the demand for commercial, residential and retail real estate</li> <li>Pioneered the shopping malls concept in NCR and continues to provide organized retail development possibilities</li> </ul>
<b>Noida</b>	<ul style="list-style-type: none"> <li>Considered to be one of the better planned suburbs of Delhi with high residential base</li> <li>Emerging as an IT destination, NOIDA commercial market is driven by various IT &amp; ITES companies as well as media houses.</li> <li>Sector 18 Atta Market continues to be the prominent high street market while Great India Place, Galleria and DLF Mall of India are prominent organised mall developments in Noida city.</li> </ul>
<b>Ghaziabad</b>	<ul style="list-style-type: none"> <li>Limited presence of retail developments and retail brands</li> <li>Lack of quality developments</li> <li>Most of organized retail is concentrated in malls</li> </ul>
<b>Faridabad</b>	<ul style="list-style-type: none"> <li>A prominent industrial hub having presence of many small scale industries and auto showrooms.</li> <li>Limited presence of organized retail developments</li> <li>Does not have defined or continuous stretches of high streets</li> <li>Limited brand presence</li> </ul>

Source: Colliers Research

### 3.5 Infrastructure of Delhi NCR

Master plan of Delhi has proposed urban extension and winding of Delhi existing infrastructure and centrally connected through the Delhi NCR metro lines. The Delhi Development Authority is undertaking for the infrastructure and transportation strategic and planning development in the city along with concerned agencies such as MCD, NDMC, GNCTD, PWD, DMRC, NHAI and Ministry of surface transport etc.

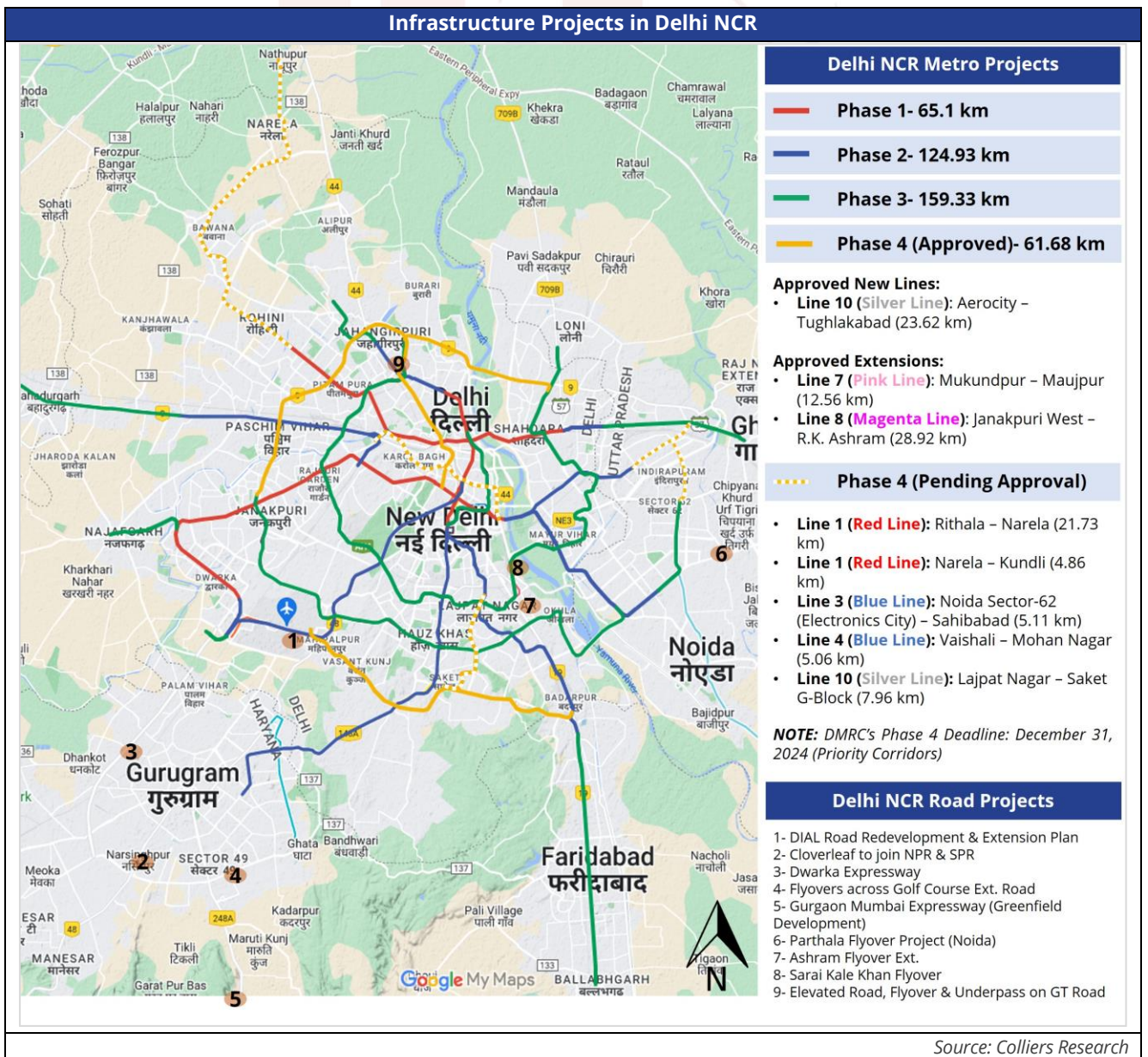
- Central government also supporting to Delhi NCR for infrastructure development with the states government to boost connectivity and provide international class infrastructure to Delhi NCR.
- Delhi is centrally connected through the DMRC Metro lines and providing very good support for transportation to the daily commutes and travellers to across NCR micro markets.

DDA is very actively working on transportation and infrastructure development and the key developments are highlighted below.

- To develop and strengthen a reliable, efficient, and attractive multi modal public transport system for Delhi to minimize gap between demand and supply by capacity increase of urban transport.
- To revitalize the movement in the old city.
- To generate conditions for safe usage of bicycles.
- To establish safe pedestrian movement.
- To encourage innovative techniques, management etc to resolve transport problems of the city by adopting environmentally and economically acceptable approach.
- To reorganize and restructure transportation fabric in light of the option and choice.



- Synergy between land use, transport and urban economy to conserve urban transport through balanced development and strategies.
- MRTS, System for intra-city passenger movement consisting of underground, surface and elevated, D.M.R.C. has drawn up proposals for various MRTS Routes in Delhi. Work is under progress at full swing. Shahdara - ISBT corridor has already started functioning.
- Modernization of Nizamuddin, Old and New Delhi Railway Station
- Major upcoming infrastructure is North East corridor of NHAI connecting NH1 and Wazirabad road to Ghaziabad (Master plan road no. 59) and Connecting Road between Dwarka and Rohini from NH-8.
- Delhi NCR is very well connected to the major roads and metros connectivity.

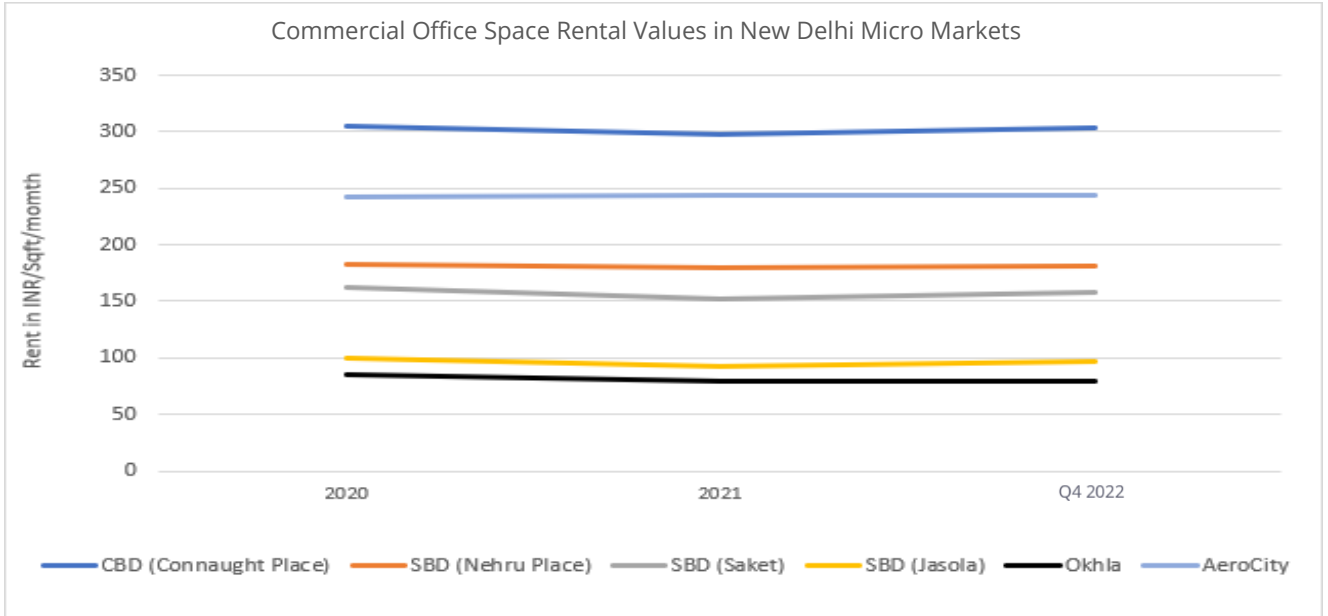




### NCR Commercial Office Space Market

Delhi NCR is one of the prime office destinations across the country. It consists of New Delhi, Gurgaon, Noida and Greater Noida. NCR market well plays a vital role in the office market of the country. NCR market attracts to the corporate sectors due to headquarters of Governing bodies and Indian ministries. It is favourable market by both National and International companies due to decision makers, policies makers and essential business environment along with skilled manpower.

In Delhi NCR, Central Business District (CBD) of Connaught place is a heart of the NCR regions. As per market research and survey Connaught Place is the seventh most expensive destination in the world. Followed by Mumbai's Alternative Business District of Bandra Kurla Complex (BKC) and Central Business District of Nariman Point is stood on 19th and 34th position respectively.



Source: Colliers Research

**Statistics - Commercial Office Space in Delhi - NCR as of Q4-2022**

Parameters	Total Stock as of Q4-2022 (Mn sq. ft)	New Upcoming Supply in 2023 - 2025 (Mn sq. ft)	Net Absorption in Q4-2022 (Mn sq. ft)	Vacancy Rate as of Q4-2022 (%)	Avg. Rent (INR/sq. ft/month)
Q4-2022	126.6	43.8	4.3	20.4%	91.6

Source: Colliers Research

Leasing activity to gain further momentum in 2023 as employers plan for a gradual re-entry:

- We expect leasing activity to gain further momentum in 2023 as employers plan for a gradual re-entry amid a significant decline in Covid infections

**1** Leasing activity to increase in 2023

Increase
- About 1.8 million square feet of supply is scheduled to be completed by the end of 2022, some of which may be deferred due to oversupply in some micro-markets.

**2** Significant supply pipeline

Increase
- Vacancy levels are likely to decline from the current levels led by a spurt in leasing due to pent up demand

**3** Vacancy levels are expected to drop

Decrease
- We expect rents to start increasing by Q1 2023, due to a pickup in demand. Micro-markets like Noida Expressway, Sector 62, Golf Course Road are likely to witness an increase in rents due to limited vacant stock and high demand

**4** Rents to firm up in 2023

Increase

Source: Colliers Research



**Leasing Rental in NCR business districts**

Business district	Rental value range in Q4 2022 in INR/sq. ft/month	12-month change
CBD Delhi (Connaught Place)	115-425	2%
SBD Delhi (Nehru Place)	150-200	1%
MG Road, Gurgaon	95-130	2%
Cyber City, Gurgaon	115-120	3%
Sohna Road, Gurgaon	<b>55-85</b>	<b>3%</b>
Sector 16A & 16B, Noida	70-125	1%
Noida Expressway, Noida	44-80	1%

Source: Colliers Research





**Below is the Snapshot on Delhi NCR Commercial Standard Commercial Lease Terms**

Particulars	Details
Lease Term	9 Years: 3+3+3 (Initial term of 3 years with renewal options for Lessee of additional two terms of 3 years each)
Lock in Period	3 years for Bare / Warm Shell facility 3 - 5 years for 'Plug and Play' facility
Rent Free Period	Typically, between 2 – 3 months from Lease Commencement Date/handover of Premises
Escalation	15% after every three years (applicable on base rent, related deposit, and maintenance charges)
Car Park Ratio	1 Car Parking slot for every 1,000 sq feet leased
Car Parking Charges	Ranges between INR 3500 – 5000/Slot/Month (In some cases, parking charges are inclusive in base rent)
Termination	Termination rights with Lessee with 3 - 6 months advance notice
Sub lease Rights	Only to affiliated / sister concerns / third Party after approval of the Lessor
Taxes	Property Tax: Payable by Lessor GST: Payable by Lessee
Stamp Duty & Registration Charges	Typically, payable by Lessee

*Source: Colliers Research (Q4-2022 update)*

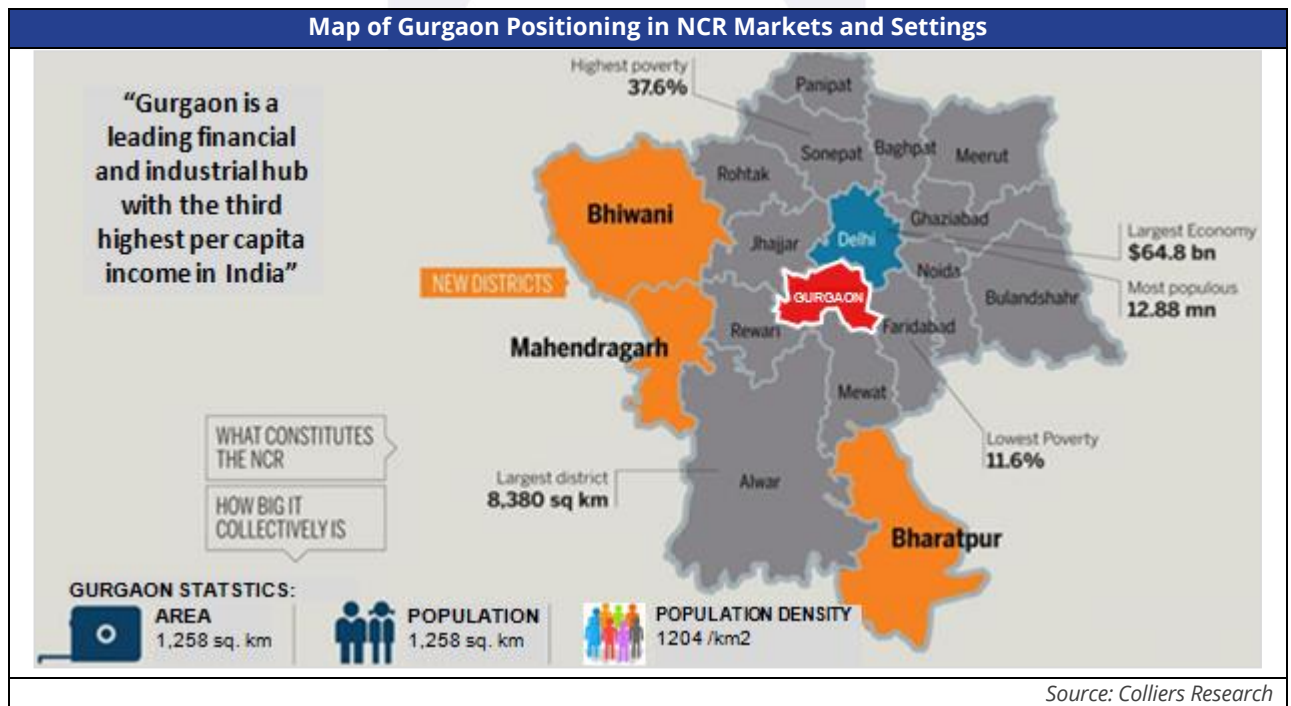
### 3.6 Gurgaon Micro Market Overview

Gurgaon is one of the most rapidly developing suburbs of Delhi. Gurgaon located in the economically dynamic National Capital Region lies close to the International and the Domestic Airport of Delhi. The city has grown from a primarily agricultural belt to an industrial corridor and now into one of the most prominent commercial hubs of NCR. The initial factors for the growth of the city included favourable tax policy by the Haryana government, improvement in city's infrastructure by Haryana Urban Development Authority and the need of a business centre close to Indira Gandhi International Airport.

Over the past 2 decades, the transition from industrialization to corporatization has also led to an upsurge in demand for residential, retail and hospitality sectors. The city and its adjoining areas have remained the focus of investor segment in the NCR due to the plethora of offerings in real estate. It is one of the most dynamic markets, and property prices along all verticals of real estate viz. commercial, residential and retail continues to appreciate in the region.

Though the market is also driven by speculation, investments in Gurgaon remain stable owing to continued entry of commercial set-ups in the region. Major contributing factors for the growth being:

- Perception of Haryana being a progressive state by investors and developers.
- The better quality of real estate on offer in Gurgaon. The low cost of quality real estate, of both commercial and residential, as compared to Delhi.
- Availability of large office spaces of international quality construction for the MNC's and corporate sector.
- Availability of International quality residential developments in all typologies viz. Integrated complexes, apartments, villas, plotted development, condominiums etc.
- Proximity to Domestic and International airports.



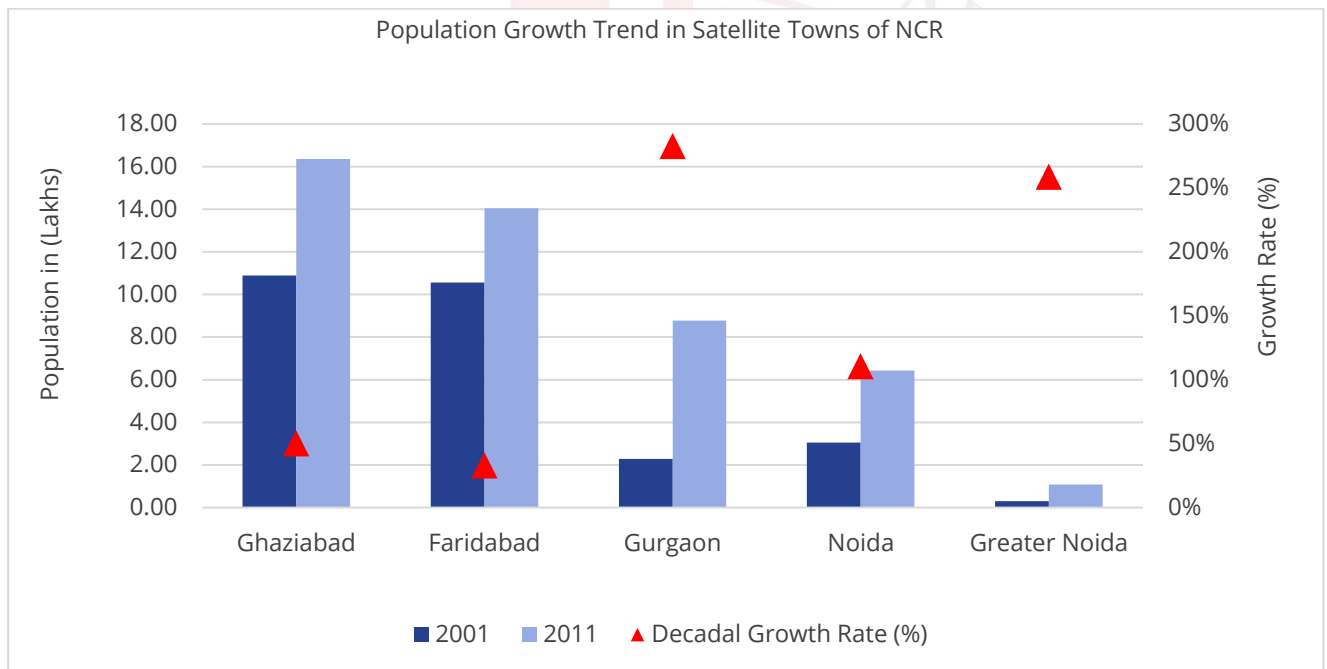




### 3.7 Demographic Overview

Gurgaon city is strategically sharing boundary to NCT Delhi and profits from excellent connectivity and regional settings with respect to NCT. The city is witnessing rapid urbanization driven by this proximity, influx of setups of major corporate and industrial giants, development of IT sector and strong government backup. The city has well developed social infrastructure and offers a conducive lifestyle to its residents. These factors have contributed towards eliciting interest from corporate as well as real estate players to Gurgaon. The same is reflected in decadal growth rate of population and increased density of the population.

As per Census 2011, Gurgaon city has witnessed maximum urban decadal growth rate of 289% in NCR and followed by Greater Noida and Noida. Gurgaon is the centre of Gurgaon District and falls under sub-division Gurgaon North of the city. While the Municipal Council of Gurgaon (MCG) was established in 2008, elections to the same were held for the first time in Q2 2011. The MCG divides Gurgaon into four zones for administrative purposes – the east, west, north and south zones.



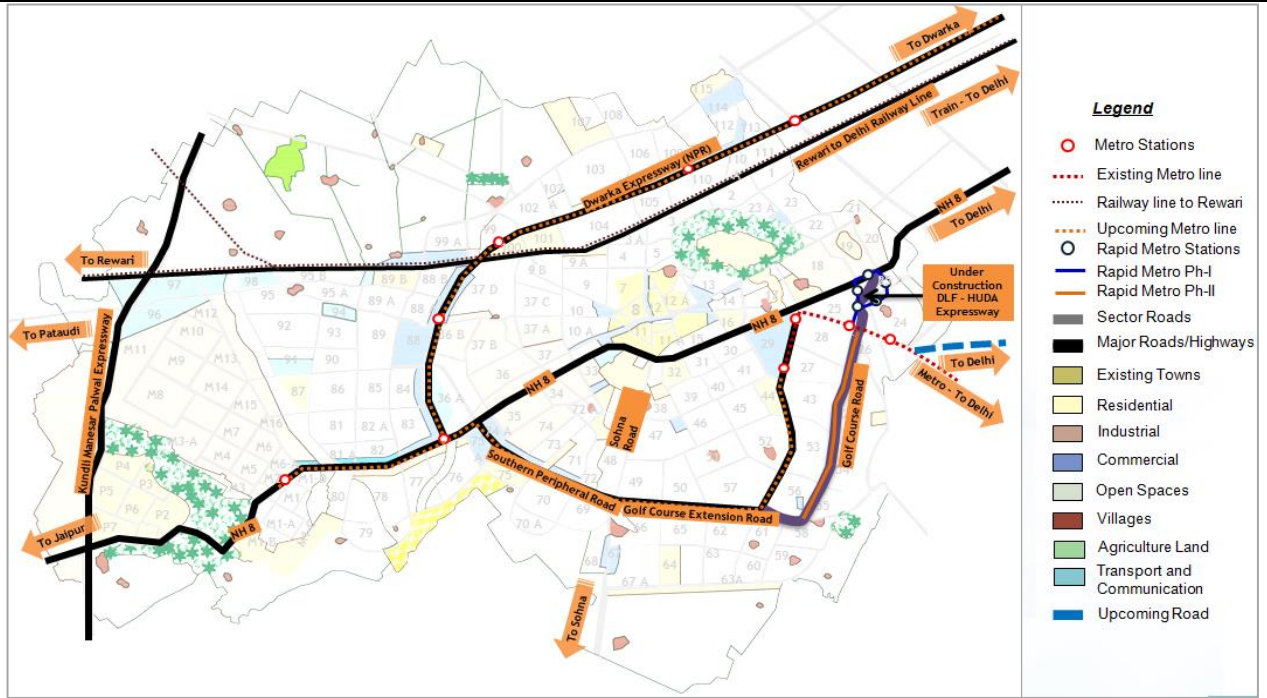
Source: Census 2011

Key Demographics Facts	
Location	28.47722, 77.02270, Southwest of the national capital New Delhi
City Area	1,253 sq. Km
Total Urban Population	15.14 Lakhs
Decadal Growth Rate	73.96 %
Density/ Km2	1241
Sex Ratio (Per 1000)	854
Literacy Rate	84.70 %
Per Capita Income	INR 4.6 Lakhs
Key Industries	IT/ ITES, SEZ, Textiles, Engineering, Automotive

Source: Gurgaon.govt/about-district/demography

### 3.8 Infrastructure Overview

**Map of Gurgaon Infrastructure and Connectivity**



Source: Colliers Research

**Key Infrastructure Initiatives and Connectivity**

**Delhi Metro:** Operational Since December- 2002

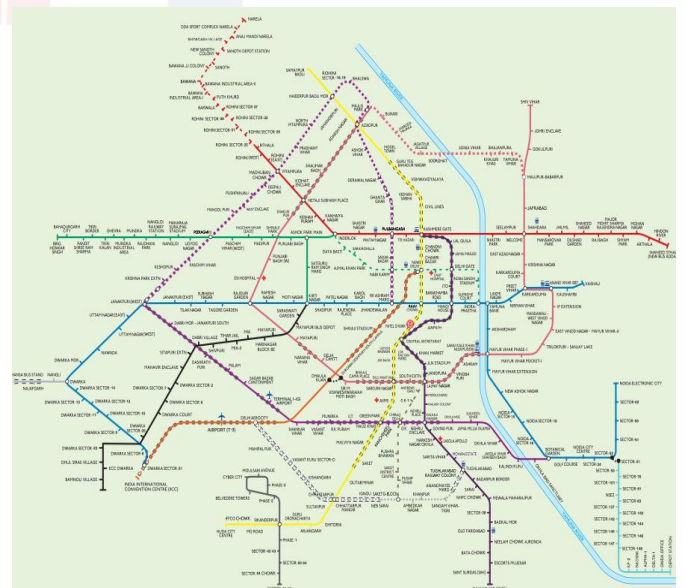
Delhi metro is a mass rapid transit (MRT) system serving Delhi and its satellite cities of Ghaziabad, Faridabad, Gurgaon, Noida, Bahadurgarh and Ballabhgarh, in the National Capital Region of India. With a constructed network of 390.14 Km with 286 stations (including Noida-Greater Noida Corridor and Rapid Metro, Gurugram), the Delhi Metro is the largest and busiest metro network in India.

**Phase-I, II & III** network is consisting of 10 colour-coded lines serving 254 stations with a total length of 348.12 kilometres (216.31 mi).

**Phase-IV** The construction of Phase IV was formally started on 30 December 2019. Currently, it is under construction as and expected to be completed by 2025 and the details of corridor are tabulated follows:

Corridor under Implementation	Length (KM)	Stations
Janakpuri West- R.K. Ashram	29.26	22
Tughlakabad- Delhi Aerocity	23.62	16
Majlis Park- Maujpur	12.32	8
Total	65.20	46

Source: DMRC- Dec-2021 Update





**Key Infrastructure Initiatives and Connectivity**

Corridor under Consideration	Length (KM)	Stations
Rithala- Bawana- Nerala	21.73	16
Inderlok- Indraprastha	12.57	10
Lajpat Nagar- Saket G Block	7.96	7
Total	42.26	33

Source: DMRC- Dec-2021 Update

Additional Corridors (under consideration)	Length (KM)	Stations
Aerocity-IGDT-1	2.26	-
Kirti Nagar- Bamnoli Village (METROLITE)	19.09	21
Total	21.35	21

Source: DMRC

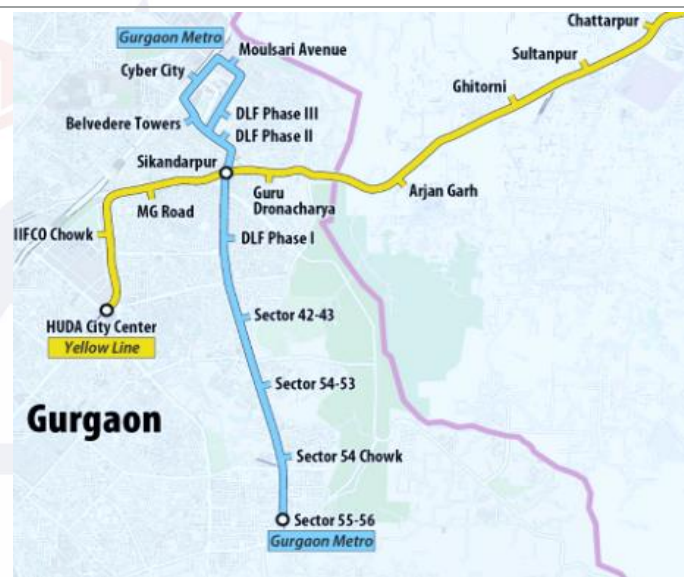
**Rapid Metro:** Operational Since November- 2013

Rapid Metro Rail Gurgaon Limited is an intra-city metro system of Gurgaon linked with the Delhi Metro system's Yellow Line at Sikandarpur. The planned route for Rapid Metro will act as a feeder to the DMRC's Jahangirpuri-Central Secretariat-HUDA City Centre (Yellow Line). Total length of 12.85 kms line & 11 stations present on line.

The project has been divided into following phase,

**Phase I** - A network of 5.1 km connecting Cyber City, NH-8 & Sikanderpur station (DMRC)

**Phase II** - A network of 7 km along Golf Course Road connecting Sector 55-56 to Delhi Metro at Sikanderpur.



**Railway Network**

Gurgaon railway station is operated by Northern Railway of Indian Railways. The rail station forms a part of the larger Indian Railways network. Along with that, Gurgaon has Tajnagar railway station, Dhankot railway station, Ghari Harsaru Railway Junction and Farrukhnagar Railway Station, Patli Railway Station. Under Modernization of Railway Station, Indian Railways is modernizing four railway stations in Gurgaon. Gurgaon railway station, Ghari Harsaru Railway Junction and Farrukhnagar Railway Station will be developed and modernized with modern amenities and international facilities.

Recently, Ministry of Railways, Gol announced project to upgrade Gurugram City Railway Station which includes the construction of a fourth railway platform, expanding the existing platforms, increasing the number of entry and exit points of the station (there is only one at present) and decongesting the approach road to the station. Granting approval for beautification and infrastructure development of the railway station. Currently, the project is under consideration status.



## Key Infrastructure Initiatives and Connectivity

### Airport Connectivity

Gurgaon is served by Delhi's Indira Gandhi International Airport, which is located just outside of Gurgaon city limits near National Highway 8.

Indira Gandhi International Airport is the primary international airport serving New Delhi, Delhi, India as well as the rest of northern India. This airport is spread over an area of 5,106 acres (2,066 ha) and situated in Palam, New Delhi.

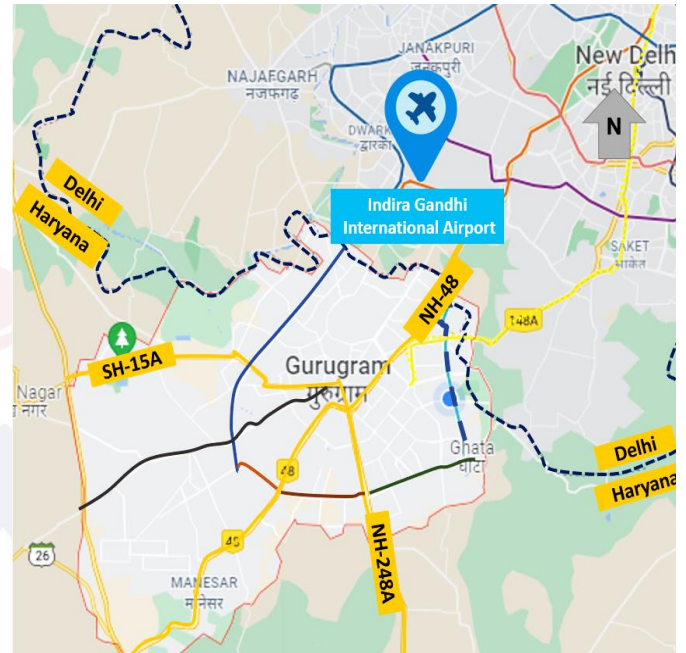
IGI Airport serves as a major hub or a focus destination for several Indian carriers including Air India, Air India Regional, IndiGo, SpiceJet, GoAir, and Vistara. Approximately 80 airlines serve this airport. At present, there are three active scheduled passenger terminals, a dedicated Hajj terminal, and a cargo terminal.

IGI is divided into three terminals for smoothly operation of Domestic and International flight.

**Terminal-1:** It is temporarily used for low-cost carrier SpiceJet. Delhi International Airport Limited (DIAL) has completed refurbishing work in September 2021.

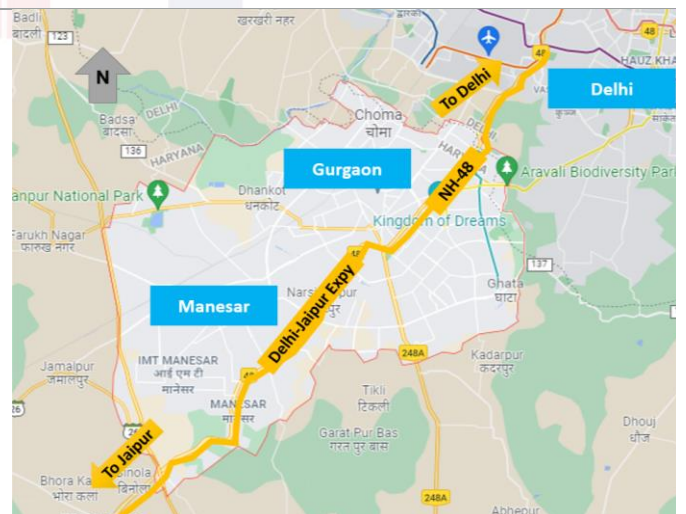
**Terminal-2:** In 2017, DIAL done revamping the terminal and shifted operations of Go Air to the termina in order to continue expansion work of Terminal-1.

**Terminal-3:** It is used for international flights. The Indian carriers operating international flights are Air India, Indigo, SpiceJet, GoAir, and Vistara.



### National Highway-48 (Delhi - Jaipur Expressway)

The repair work and reconstruction in 225 km long Gurgaon - Jaipur highway. It comprises 64 km long Haryana portion, 161 km long Rajasthan portion and construction of 15 new structures to resolve the frequent issue of traffic congestion on the Highway. The cost of all these works is Rs. 913 crores.

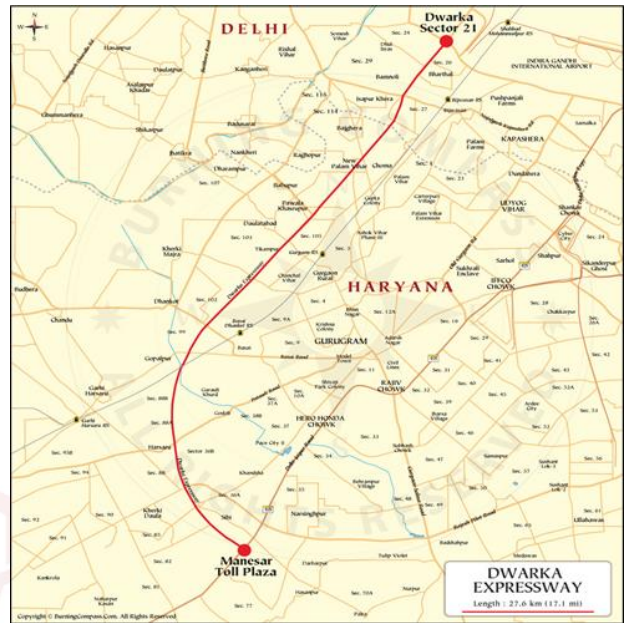


## Key Infrastructure Initiatives and Connectivity

### Dwarka Expressway: Under Construction

The 19 km Gurugram section of the 29-kilometre Dwarka Expressway connecting Mahipalpur in New Delhi with Kherki Dhaula in Gurugram is expected to be completed in 2023-24. Some portions of this stretch are already operational.

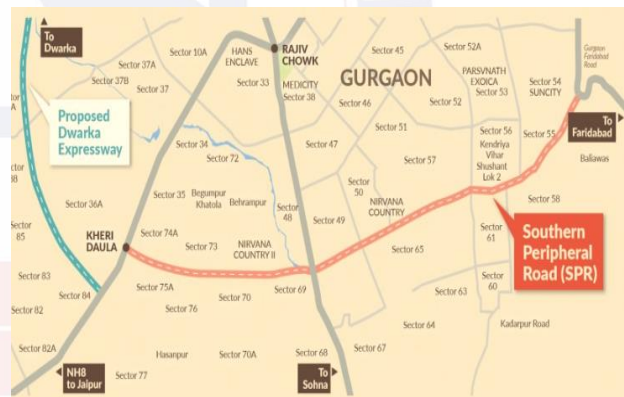
Dwarka Expressway starts from Shiv-Murti on NH-8 (Delhi-Gurugram expressway) and ends near Kherki Daula Toll Plaza, through Dwarka Sector 21, Gurugram border, and Basai. 50%-60% of the vehicles on NH-8 will be diverted onto the new expressway, easing the congestion towards Sohna Road, and Golf Course Road. The estimated cost of the project, under the Union government's flagship Bharatmala Project, is Rs 9,000 crore. It is a 16-lane access-controlled highway with the provision of a minimum 3-lane service road on both sides.



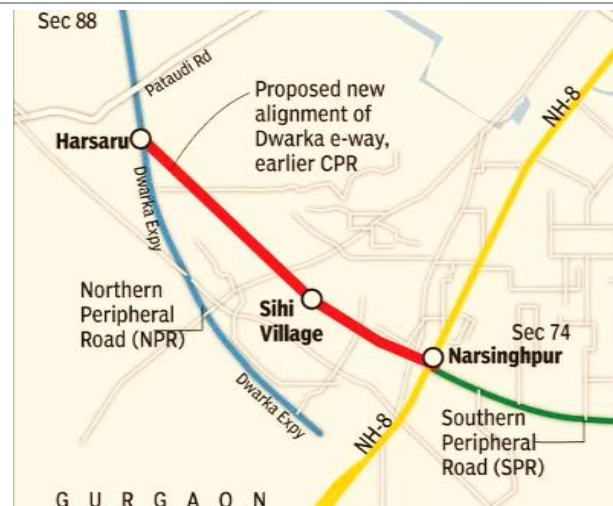
### Southern Peripheral Road (SPR): Operational

Southern Peripheral Road offers excellent connectivity to Delhi and its adjoining areas. SPR is well connected to Golf Course Road as well as NH-8 and Mehrauli Road. The redevelopment of Southern Peripheral Road (SPR), which will include the construction of eight flyovers, footpaths, and cycle tracks, is likely to be complete only by mid-2025.

The proposal involves the construction of a six-lane main carriageway with 3 lanes on either side and 6-lane service roads (3 lanes on each side) on both sides of the carriageway. The critical 12km road connects three national highways - NH-8, Gurugram - Alwar expressway and Gurugram -Mehrauli expressway. It is also expected to provide connectivity to the Dwarka Expressway through a cloverleaf interchange that is currently under construction.



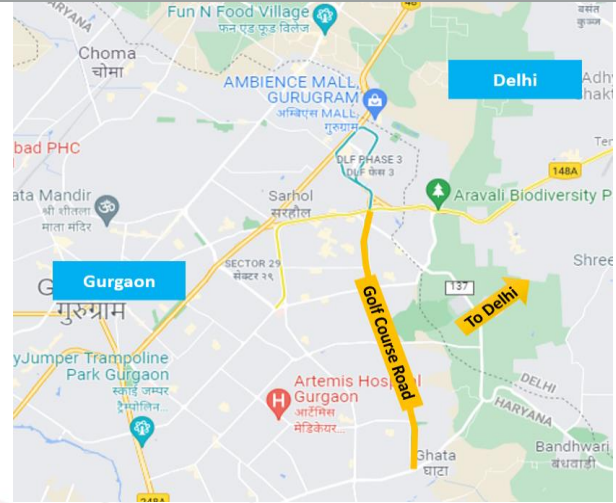
**Central Peripheral Road (CPR):** The CPR starts from a place close to the Kherki Daula village and meets NPR near Harsaru village. The construction of SPR is nearing completion, which has necessitated expediting the work on CPR that connects SPR with NPR, also known as Dwarka Expressway.



## Key Infrastructure Initiatives and Connectivity

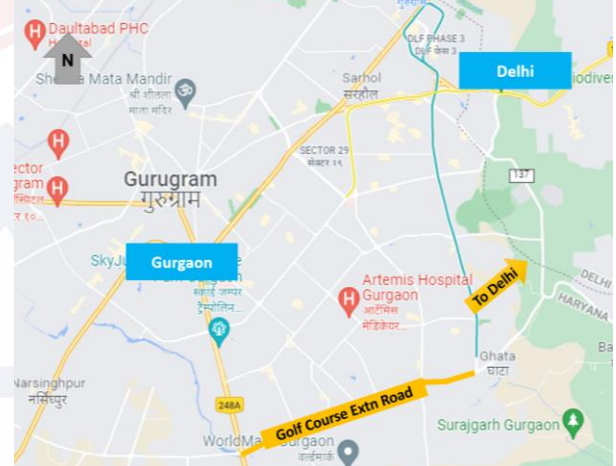
### Golf Course Road: Operational

The area is well-connected through Golf Course Road, MG Road and Golf Course Extension Road. Also, the whole corridor of Golf Course Road has multiple rapid metro stations which easily connects this area with Sikanderpur metro station on Yellow Line, further boosting connectivity. IGI Airport can be accessed in about 20-25 minutes due to signal free road after construction of several underpasses on Golf Course Road.



### Golf Course Extension Road: Operational

It connects Gurgaon-Faridabad Road with the Badshahpur Crossing and further extends to meet NH-48 near Sector 74A. The Golf Course Extension Road area is well connected with NH-48, which further extends its reach to the distant parts of Gurgaon and New Delhi.



### Sohna Road: Operational

Sohna Road is spread across Rajiv Chowk near NH-48 in Gurgaon right up to Sohna city in the south.

In July 2022, The 22 km long Sohna elevated road was opened for traffic. A stretch of the elevated road from Subhash Chowk to Badshahpur was opened to commuters. Gurgaon Sohna National Highway has been developed to six-lane access-controlled corridor with aggregate elevated section of about 7 km at a capital investment of about Rs 2000 crore. This section would also provide connectivity to Delhi and Gurgaon through Delhi-Mumbai expressway.

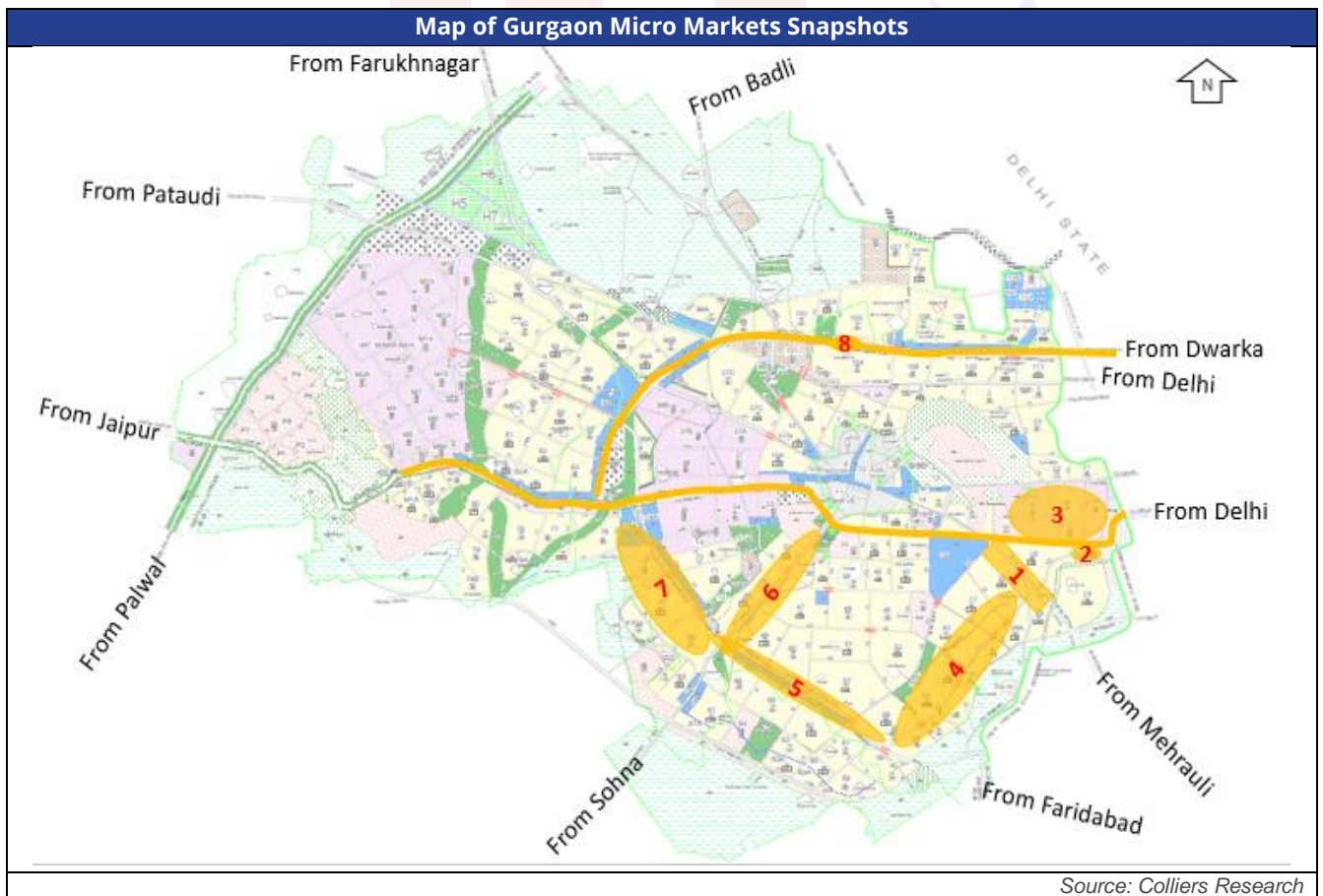


Source: Colliers Research

### 3.9 Gurgaon Commercial Micro Market Overview

Gurgaon, a notable commercial office market in Delhi-NCR and India, has seen substantial demand from IT-BPM, manufacturing, and engineering firms. Gurgaon, office space rentals are ranging between INR 55-180 per square foot per month. Global corporations are flocking back to India due to the improving business environment and increased ease of doing business, and the future sure seems bright.

A sizable proportion of premium Grade A office space (commercial & IT/ITeS) is situated along National Highway 8, Cyber City, Golf Course Road and M.G. Road, and these micro-markets are perceived as the active commercial destination of the city. Factors that have be attributed in favour of this location, are proximity to airport, proximity to New Delhi, existing Delhi Metro network and operational Rapid Metro network that initiating from Cyber City and terminating at Sector 56 intersection. Institutional sectors 32 & 44 witness healthy occupancy rates and rentals. This micro-market primarily house standalone commercial developments, most of them are BTS building and entirely occupied by a single tenant. In contrast to the above cited micro-markets, developments along Golf Course Ext. Road, later stretch of NH8, and Sohna Road attain lower level of occupancy and rentals.





Regions	Key Micro-markets Covered	Micro-market Snapshot
1	M.G. Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial</li> <li>Considered as CBD of Gurugram. Connects Mehrauli in Delhi to IFFCO Chowk on NH8 in Gurugram.</li> <li>Mix of commercial and retail on both side of the road and is mostly preferred by BFSI and MNCs for their corporate offices</li> </ul>
2	Cyber City	<ul style="list-style-type: none"> <li>Designated Zone: Technology and IT-SEZ</li> <li>Modern office building cluster developed by DLF.</li> <li>Has presence of fortune 500 companies like KPMG, BT, Mercer, Microsoft, AMEX etc</li> </ul>
3	NH-48 and Udyog Vihar	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, Technology, Institutional and Industrial</li> <li>Udyog Vihar –Micro market with Industrial and Technology zoning having more than 1200 industrial and IT/ITeS units, spread over 730 acres in area. Udyog Vihar is divided into five phases.</li> <li>Provides excellent connectivity to other parts of Delhi NCR.</li> </ul>
4	Golf Course Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial</li> <li>Named after the DLF Golf Course in Sector 42, the sectors around Golf Course Road are a mix of high-end residential and commercial buildings</li> <li>Well connected with arterial roads such as MG Road and NH-8</li> </ul>
5	Golf Course Extension Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, Technology &amp; IT SEZ</li> <li>GKER is also a destination for luxurious and mid segment residential projects</li> <li>Good connectivity to Golf Course Road, MG Road, Sohna Road and Faridabad</li> </ul>
6	Sohna Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, IT/ITES &amp; IT SEZ</li> <li>Dotted with mid-sized corporate offices and IT companies.</li> <li>Well-developed social infrastructure and an established residential area.</li> </ul>
7	Other (SPR & Dwarka Expressway)	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, IT/ITES</li> <li>Dotted with mid-sized corporate offices and IT companies.</li> <li>Well-developed social infrastructure and an established residential area</li> </ul>

Source: Colliers Research

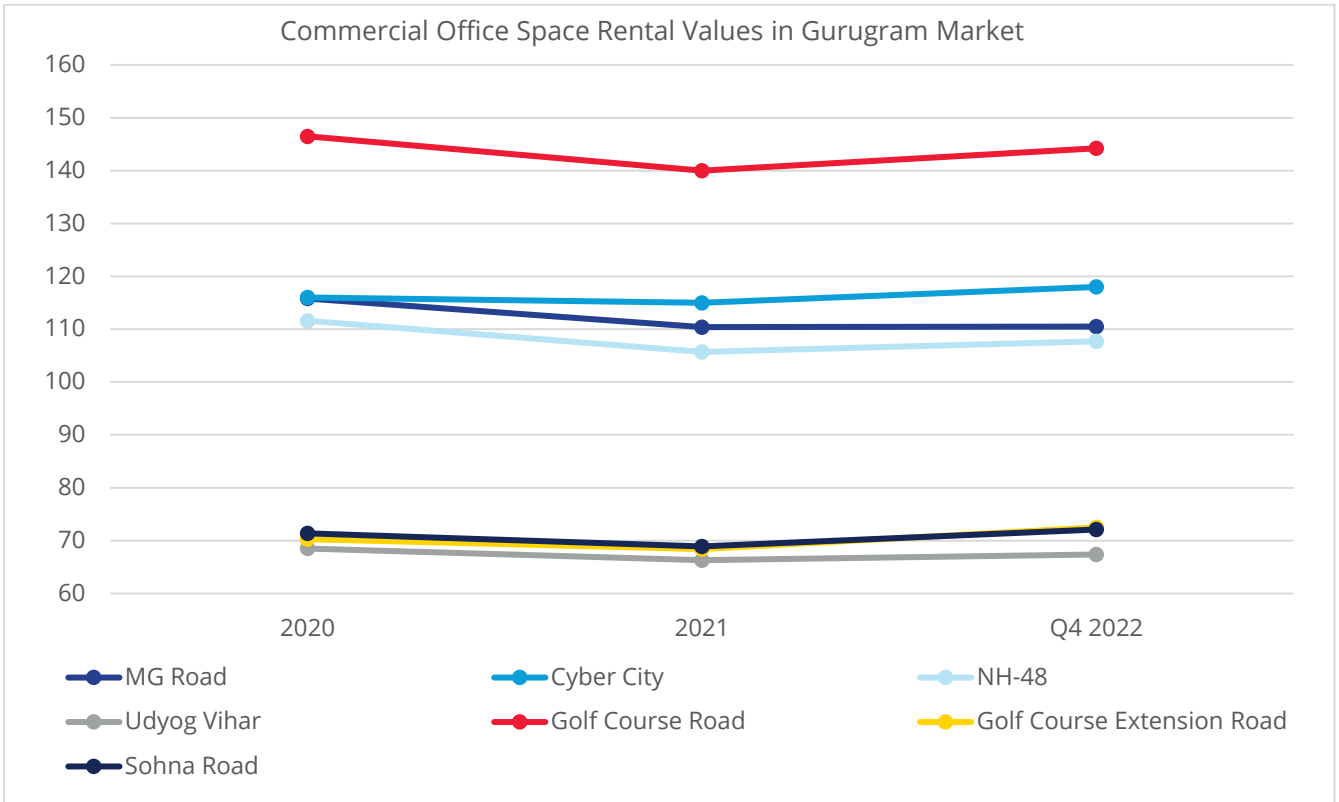
### Gurugram Commercial Office Space Market Rental Trends

Gurugram is one of the prime office destinations across the Delhi NCR. Major commercial micro markets of Gurugram are MG Road, Cyber City, NH-48 stretch, Udyog Vihar, Golf Course Road, Golf Course Extension Road and Sohna Road. Gurugram market plays a vital role in the office market of the Delhi NCR. It is favourable market by both National and International companies due to essential business environment along with availability of skilled manpower.





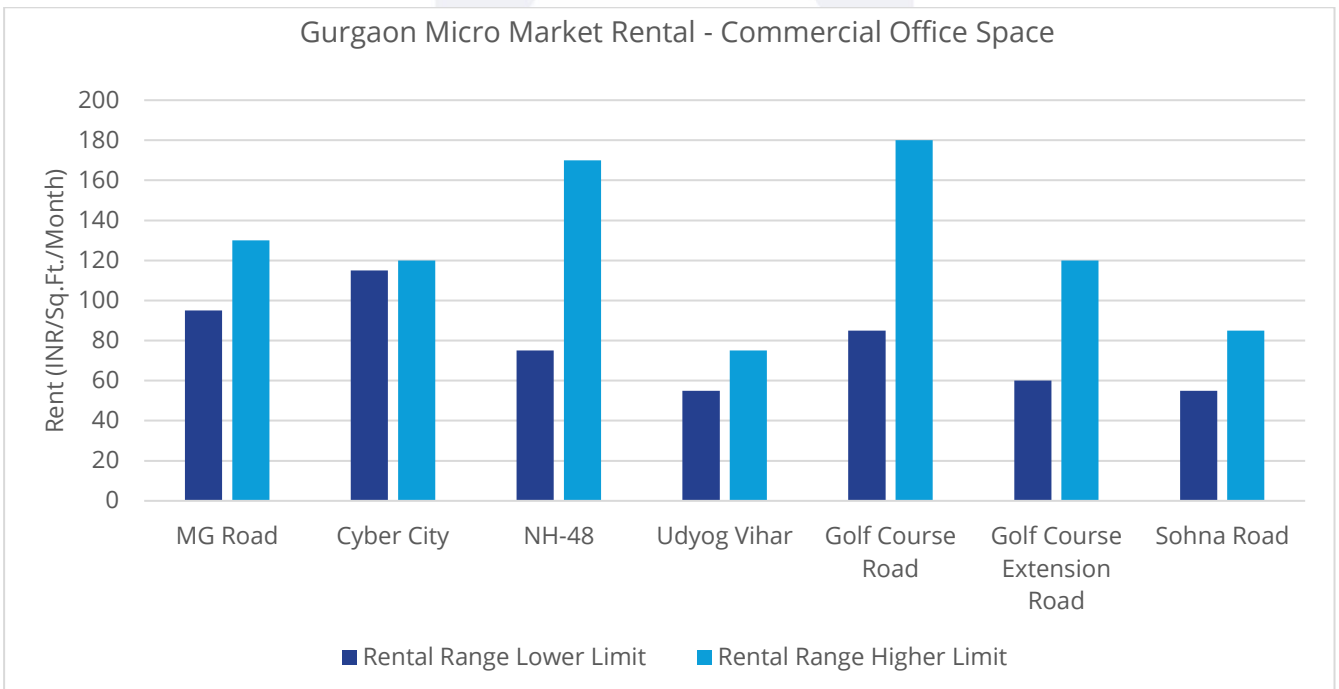
The below graph is depicting average Rental Values Trend of various commercial micro markets of Gurugram.



Source: Colliers Research

### Rentals in Gurgaon Micro Markets

Gurgaon micro market has witnessed rental ranges of INR 55-180 per sq. ft per month.



Source: Colliers Research (Q4 2022 update)

### Key Micro Markets Dynamics of Gurgaon

Following are the key major micro markets of Gurgaon, which contributes to total stock of 69.1 Mn sq. ft out of total supply in Gurgaon. The micro markets have witnessed average vacancy rate of 17.52 % as on Q4 2022.



Micro Markets	Total Stocks (Grade Office Space) (Mn sq. ft)	Vacancy (%)	Upcoming Supply till 2022 (Mn sq. ft)	Rental Range (INR/sq. ft/month)	Capital Value (INR/sq. ft)
MG Road	3.4	17.4	0.025	95-130	15,000 – 20,000
Cyber City	13.4	10.05	NIL	115 -120	18,000 – 21,000
NH-48	21.5	19.04	2.8	75-170	11,000 – 18,000
Udyog Vihar					
Golf Course Road	6.6	7.2	NIL	85-180	14,000 – 18,000
Golf Course Extension Road	13.6	29.4	1.6	60-120	6,000 – 11,000
Sohna Road	10.6	22.07	NIL	55-85	7,000-13,000

Source: Colliers Research

### 3.9.1 Key Micro Markets in the Vicinity of the Subject Property

The Subject development “Candor TechSpace IT/ITeS located in the close vicinity of two major micro markets of the Gurgaon like Sohna Road and Golf Course Extension Road.

### 3.9.2 Sohna Road

Sohna Road is also key micro market of Gurgaon, located on southern region of the city. It is connecting to Delhi – Jaipur Expressway to Sohna. It is also commercial, retail, and residential real estate corridor of the city. The micro-market of Sohna Road stretches from Rajiv Chowk near NH-48 in Gurgaon till Sohna city in the south. Key Sectors like Sectors 33, 38, 48 and 49 are major Sectors along the Sohna Road.

Key Commercial projects included Bestech Business Park, Iris Tech Park, Universal Trade Tower, Spaze Itech Park and etc. The total commercial IT/ ITES stock, vacancy and major tenant in this locality is tabulated as follows:

Total Stock (2022) (Grade A)	Vacancy (%) (2022) (Grade A)	Upcoming Supply (2023)	Gross Absorption (2022)	Key Tenant Mix	Rental Range (INR/sq. ft/month)	Capital Value Range (INR/sq. ft)
10.6 Mn sq ft	22.07%	None	546,057 sq ft	<ul style="list-style-type: none"> <li>Technology</li> <li>Consulting</li> <li>BFSI</li> </ul>	55-85	7,000-13,000

### OUTLOOK:

Significant upcoming supply on Golf Course Extension Road is likely to keep a downward pressure on rents over the next 2-4 years.

### KEY OCCUPIERS:





**Key Office Space Transactions Recorded in Recent Past:**

Occupier	Building Grade	Building Name	Lease/Sale	Period	Area (In sq. ft)
Wheelsys	A	Capital Business Park	Lease	Q3 2022	1,00,000
Encore Capital	A	Candor TechSpace	Lease	Q1 2022	221,000
Marelli	A	Candor Tech Space	Lease	Q1 2022	39,407
<a href="#">Legato Health Technologies</a>	A	Candor Tech Space	Lease	March 2022	500,000
<a href="#">Multiple Clients- deal by Trehan Iris</a>	A	Iris Tech Park	Lease	Dec 2022	2,75,000

Source: Colliers Research

**3.9.3 Golf Course Extension Road**

Golf Course Extension Road is an extended development of Golf Course Road. It is an emerging micro market of Gurgaon city, and it comprises of Sector 55 to Sector 68. The micro market has mixed and wide range of real estate development like residential apartments, commercial and IT/ITeS development along the road. Key prominent residential development is Tata Raisina Residency, Ireo City, Ansal Esencia, M3M Golf State, Emaar Greens, Pioneer City, Mahindra, and few affordable apartment projects. Some of the notable commercial projects included Spaze Tech Park, Vatika Business Park, Universal Business Park, Emaar Digital Green, Bestech Business Tower and Ireo- Ascendas SEZ and renowned Trump Tower. The total commercial IT/ ITES stock, vacancy and major tenant in this locality is tabulated as follows:

Total Stock (2022) (Grade A)	Vacancy (%) (2022) (Grade A)	Gross Absorption (2022)	Upcoming Supply (2023)	Key Tenant Mix	Rental Range (INR/sq. ft/month)
13.6 Mn sq ft	29.4%	1,108,272 sq ft	1.9 Mn sq ft	<ul style="list-style-type: none"> <li>• Technology</li> <li>• Consulting</li> <li>• BFSI</li> </ul>	60-120

**OUTLOOK:**

Significant upcoming supply on Golf Course Extension Road and elevated vacancy is likely to keep a downward pressure on rents

**KEY OCCUPIERS:**



**Key Office Space Transactions Recorded in Recent Past:**

Occupier	Building Grade	Building Name	Lease/Sale	Period	Area (In sq ft)
Zomato	A	Pioneer Square	Lease	Q2 2022	350,000
Reliance	A	Splendor Trade Tower	Lease	Q2 2022	240,000
Parth Universal	A	AIPL Business Club	Lease	Q2 2022	75,000
Deloitte	A	AIPL Business Club	Lease	Q2 2022	50,600

Source: Colliers Research



## 4 PROPERTY OWNERSHIP

As per the details shared with us, the developer for the Subject Property is M/s. Candor Gurgaon One Realty Projects Private Limited. For the purpose of this report, M/s. Candor Gurgaon One Realty Projects Private Limited has been considered as the owner of the Property.

For the purpose of this valuation, we have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the Property and our valuation assumes that none exists.

### 4.1 Documents/ Information Shared

The following documents have been shared for the purpose of preparation of this report:

- Existing rent roll for G1 as on March 31st, 2023
- Details of applicable CAM models comprising of CAM charges and CAM Cost
- Details of cost to complete as of Q1 2023
- Summary of Property Tax Payable for FY 2020-21 and FY 2021-22.
- Other Income details for year 2019-20, 2020-21, 2021-22 and 2022-23

# 5 PROPERTY DETAILS

## 5.1 Property Brief

The Subject Property is a commercial IT/ITeS space development, which is known as “Candor TechSpace IT/ITeS”, spread across a plot area admeasuring 25.187 acres.

Basic details about the Subject Property are as follows:

Property Details	
Address	Candor TechSpace, Tikri Sector 48, Gurgaon, Haryana
Plot Area	25.187 Acres
Leasable Area	Total leasable area admeasuring of 37,98,366 Sq. ft including future development area of 1,03,884sq. ft
Permissible Usage	IT/ITeS
Project Name	Candor TechSpace
Access Road	40-meter-wide road (Subhash Chowk - Honda Chowk)
Ownership Type	Freehold
Location	

### Area Description of the Development:

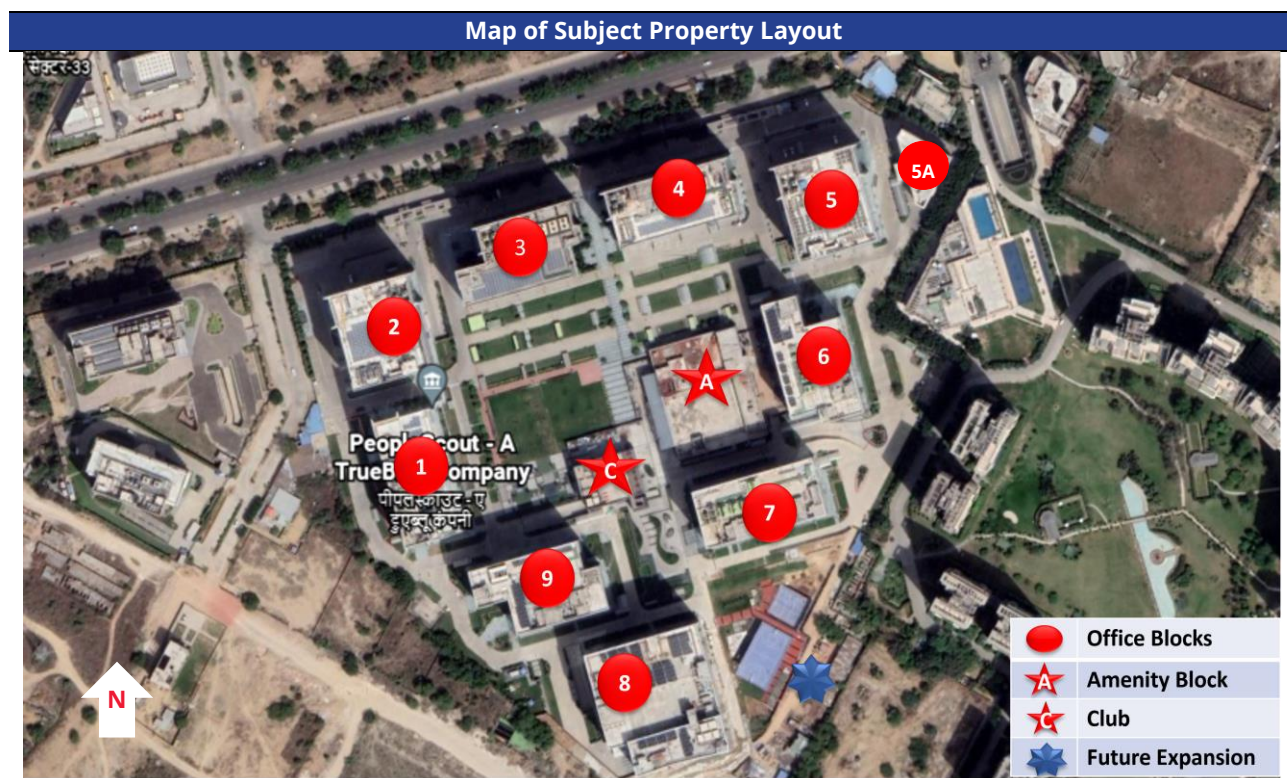
The Subject Property is a commercial IT/ITeS SEZ office property having a total operational leasable area of 3.69 Mn sq.ft. with a proposed future development of 0.1 Mn sq.ft.

### Parking Details and Utilisation:

Total Number of Car Parks is 5,780 in the entire development.

Free Car Park as % of total Car Park	Paid Car Park as % of total Car Park	Additional Car Park as % of total Car Park	Total Car Park allotted as % of total car park constructed
37%	26%	2%	65%

The following map illustrates the location of the various towers in the Candor TechSpace at Sector 48, Gurgaon:



Source: Colliers Research & Google Maps

## 5.2 Key Highlights of the Property

Following points list out the structural highlights and major tenants occupying the Property, which are

- Availability of larger floor plates
- Availability of open areas/ green areas
- 3 functional entry/exit point
- Building awarded IGBC Platinum rating
- National 5S Excellence Gold Award
- Availability of all the basic requirements of the occupiers viz. Food Court, ATM, convenience stores etc.

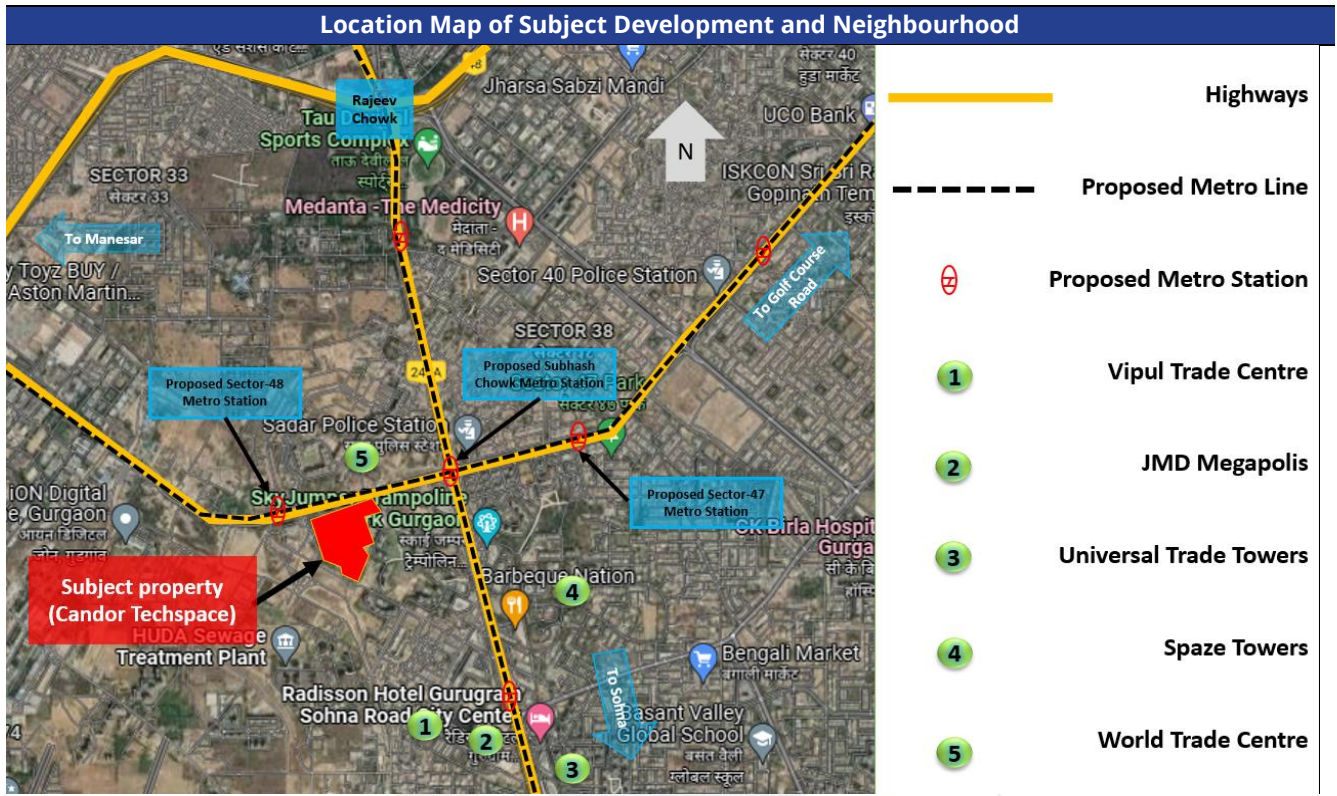
Some of the major occupiers of the Subject Property are:

- Cognizant Technology Solutions India Private Limited
- R1 RCM Global Pvt Ltd (formerly Accretive)
- Wipro HR Services India Pvt. Ltd. (earlier Aight HR Services)
- Aon Consulting India Pvt. Ltd.
- Wipro Limited
- Capgemini Technology Services India Limited

## 5.3 Location & Neighbourhood

The Subject Property is located at Village- Tikri, Sector-48 of Gurugram and close to Sohna road. It is easily accessible by Netaji Subhash Marg. As per Gurgaon Manesar Urban Complex Plan, 2031, Sector 48, Gurgaon has been earmarked for development of residential and commercial for roadside property.

The following table illustrates neighbourhood of the Subject Property:



Source: Colliers Research & Google Maps

The surrounding of the Subject Property consists of residential sectors, commercial retail spaces and office buildings. G1 can be reached through Sohna road and Netaji Subhash Marg. With presence of Rapid metro located in close proximity of the Subject Property, G1 is easily accessible for the common people from the other micro-markets of NCR. Few of the major office space development in the vicinity are JMD Megapolis, Universal Trade Towers, World Trade Centre etc. Some of the prominent hotels in the micro markets are Radisson, Country Inn and Suites, Lemon Tree etc.

### 5.4 Access and Connectivity

The Subject Property located along Netaji Subhash Marg in Sector 48, Gurgaon which is very well connected to the Sohna road. Sector 55-56 Rapid Metro Station is located about 9 kms away from the Subject Property (Candor TechSpace), which further connects to Delhi Metro for Metro connectivity to the NCR micro markets like Delhi, Noida, Ghaziabad, Faridabad and Greater Noida. Metro lines are proposed for future development under Gurgaon Metro future expansion plan. As per this plan, nearest metro station to the G1 will be Sector 48 metro station, Subhash Chowk metro station which may help improve the connectivity of the Subject Property.

In July 2022, The 22 km long Sohna elevated road was opened for traffic. A stretch of the elevated road from Subhash Chowk to Badshahpur was opened to commuters. This stretch will help to improve connectivity of the Subject Property.

**Distance of subject site from key landmarks:**

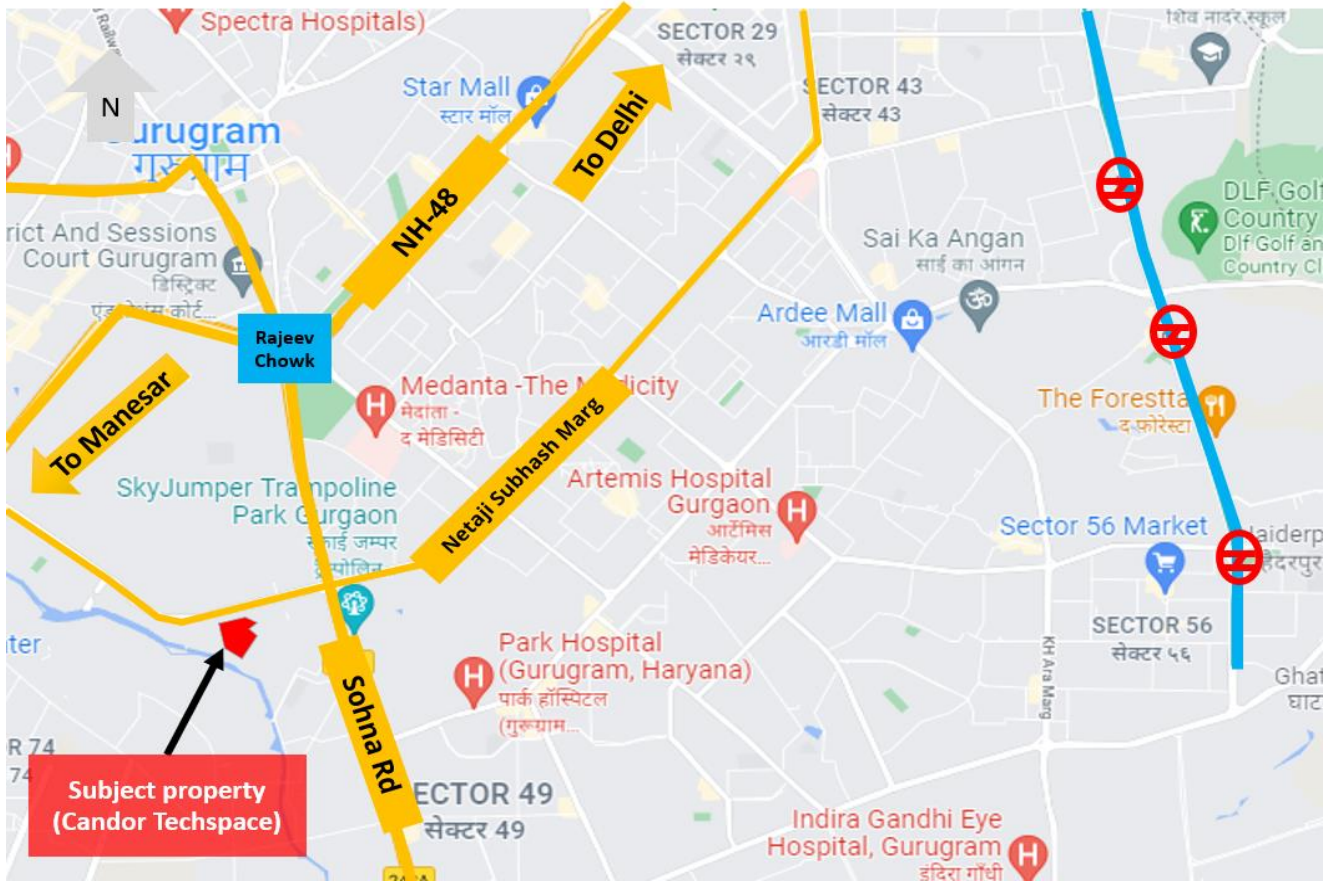
Key Landmark	Road Distance from subject site (kms.)
DLF Cyber City	11.1
Gurgaon - MG Road	8.7
IFFCO Chowk	7.2
Gold Course Road	8.7



Key Landmark	Road Distance from subject site (kms.)
Aerocity	18.5
Indira Gandhi International Airport, Delhi	21.7
Connaught Place	33.7

Source: Colliers Research

**Location Map of Subject Property and Connectivity**



Source: Colliers Research & Google Maps

### 5.5 Environmental Issue

We have no knowledge of any environmental concerns or contamination of the subject site and surrounding sites. We are not qualified to assess environment concerns; it is therefore recommended that the client should seek professional advice from an expert.

### 5.6 Approval and Regulatory Status

This valuation exercise has been conducted with an assumption that all the regulatory approvals are in place.





## 6 APPROACH & METHODOLOGY

The market value of the Subject Property has been estimated using Income Approach – Discounted Cash Flow Method.

Our valuation is on the basis of Market Value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

### Discounted Cash Flow (DCF) Method

DCF method/analysis is a financial modelling technique based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the subject land parcel. In case of a valuation of a large land parcel like the property, where the development potential is realized over a period of time (i.e., time value of money comes into the picture) and also where there are no or few immediate similar properties (i.e., comparable) available for comparison, DCF method considering relevant potential developments of the project is used.

The DCF method requires the entire development cash flows to be drawn up and assumptions made about the market performance over the entire project time frame. This requires an in-depth understanding of

- the demand / supply dynamics,
- transaction values and quantum,
- construction costs, quality, and infrastructure requirements/constraints,
- time frame of the project,
- profit / returns, and other analysis.

All this market data must be compiled (as relevant to the subject site) in order to create a financial model that captures all market drivers and value impacting parameters.



## 7 VALUATION ASSUMPTIONS

This report is subject to our Standard Caveats and Assumptions as set out in the end of this report as well as those mentioned below:

- We have assumed that the property is free from and clear of any charges, liens, and encumbrances of an onerous nature likely to affect value.
- It is assumed that any land premium or other relevant fees payable for the acquisition, transfer, sale, letting or mortgage of the property have been fully paid and settled.
- We are not aware of any easements or rights - of - way affecting the property and our valuation assumes that none exists.
- We have assumed proper title has been obtained, and the property and the interest valued therein can be freely transferred, mortgaged, or let in the market.
- We have assumed that all Information, estimates, and opinions furnished to us and contained in this report, including all information provided by the client or its representative, are fit for valuation purposes, and have been obtained from sources considered reliable and believed to be true and correct. We can assume no responsibility for accuracy.
- We have not carried out any detailed site measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents provided to us are correct. All documents and contracts have been used as references only and all dimensions, measurements and areas are therefore approximations.
- We have assumed the Property is free of contamination and any other environmental problem and can be developed in accordance with the plans, and to the construction quality as stated in the supplied information.
- Transaction cost like stamp duty, registration charges, mode of payment, brokerage and any other additional cost related to transaction structuring, taxes such as capital gains, Income tax etc. pertaining to sale / purchase of the property have not been considered while arriving at the sale value.
- Real estate market in India is unorganized and there are no official market databases/ sources for their prevailing market rates. The information pertaining to the sales/ listing data has been obtained from sources deemed to be reliable however no written confirmation or verification was made available and hence our analysis is limited to that extent.
- For any use of the Property upon which this valuation report is based, all required licenses, permits, certificates, and authorizations as required have been obtained, and are capable of renewal without difficulty, except only where otherwise stated.



## 8 VALUATION

As per our observation at the time of site inspection that the Subject Property comprises of retail and office space (Commercial IT/ITeS) development which is being leased out. Owing to the income generating nature of the Property, discounted cash flow method under the Income Approach is being utilized. A portion of the Property is under construction and another portion has been earmarked for future development. The following section shows the area statement basis the information shared by the client.

### **Area Statement:**

Particulars	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Total Leasable Area	27,86,867	10,11,499	37,98,366
Constructed	27,86,867	9,07,615	36,94,482
Future Development	-	1,03,884	1,03,884
Under Construction	-	-	-

### **Break up of Constructed Area:**

Building/ Tower Name	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Amenity I	54,108	16,061	70,169
Amenity II (Club House)	28,061	-	28,061
Tower 1	3,15,812	25,018	3,40,830
Tower 2	3,53,654	27,694	3,81,348
Tower 3	1,67,996	1,41,852	3,09,848
Tower 4	2,71,266	79,558	3,50,824
Tower 5	4,11,187	-	4,11,187
Tower 5A (SEZ Office)	-	40,965	40,965
Tower 6	3,10,797	-	3,10,797
Tower 7	2,97,519	64,582	3,62,101
Tower 8	2,61,331	5,11,885	7,73,216
Tower 9	3,15,135	-	3,15,135
<b>Total Area (Completed/Operational)</b>	<b>27,86,867</b>	<b>9,07,615</b>	<b>36,94,482</b>

Source: Client Shared Details

### **Break up of Under Construction Area:**

Building	Leased (Sq. Ft.)	Vacant (Sq. Ft.)	Total (Sq. Ft.)
Tower 11	-	1,03,884	1,03,884
<b>Total</b>	<b>-</b>	<b>1,03,884</b>	<b>1,03,884</b>



**Assumptions:**

The assumption taken for this projects area as follows:

Particulars	Unit	Value	Remarks
<b>Cost Assumptions</b>			
Cost to be incurred - Operational	INR Mn	247	Client Shared
Cost to be incurred – Future Development	INR Mn	473	Colliers Assumption
Average CoC - Future Development	INR per sq. ft	4,300	Colliers Assumption
Brokerage	(No. of months Rental)	1.00	Colliers Assumption
Brokerage on Exit	%age	1%	Colliers Assumption
Insurance & Property Tax annual Increment	%age	5%	Colliers Assumption
Property Tax Liability to lessor	INR per sq. ft per month	0.05	Client Shared
<b>Revenue Assumption</b>			
Escalation in Rental for future leased portion	%	15%	After every three years
Escalation in Rental for Fresh Leasing:	%	0.42%	% per month
Vacancy Leased Portion	(Months)	3.00	Months
Rent Free Period	(Months)	3.00	Months
Improved Efficiency at time of lease renewal	%	5.00%	%age of existing leasable area
Interest on Security Deposit	%	0.50%	%age per month
Average Market Rental All assets except towers	(INR/ Sq.ft./Month)	80	Colliers Assumption
Market Rent: Towers / Retail	(INR/Month)	80	Colliers Assumption
Car Parking Rentals	INR per ECS per Month	5,000	Colliers Assumption
Other Income	INR per sq. ft per month	0.34	Client Shared
Security Deposit	(No. of Months)	3	Colliers Assumption
CAM Deposit	(No. of Months)	-	Colliers Assumption
Paid Car Park - vacant	ECS	883	
CAM Expenses	(% of Cam Charges)	75%	Colliers Assumption
Parking Income Annual Increment	(%)	5%	Colliers Assumption
Stabilized Vacancy	(%)	5.0%	Colliers Assumption
Repair & Maintenance cost	%age of rent revenue	2.0%	Colliers Assumption
<b>Project Assumptions</b>			
Discount Rate - Constructed	%	11.75%	Colliers Assumption
Discount Rate - future development	%	13.00%	Colliers Assumption
Capitalisation rate	%	8.00%	Colliers Assumption

**Capitalization rate:**

Capitalization rate is basically the per year yield on the investment a buyer expects once he buys a matured property. This capitalization rate is derived from the amount risk that is involved in that particular type of investment. Generally riskier asset classes have a higher capitalization rate. Since in an efficient market, the return on capital a typical buyer will get will be equal to the cost of capital, the capitalization rate is also an indicator of the return expectations of a typical buyer in the market. Capitalization rate is also inflation protected because as with any property, lease revenues are expected to keep pace with the prevailing inflation. So, the returns a buyer gets keeps increasing because of the increase in future lease revenue. In economics terms it's called real return on investment because the purchasing power of your money is maintained and is not eroded by inflation. Capitalization rate is used to calculate the capital value of a property when it is being disposed.

$$\text{Capital Value of Property} = \frac{\text{Net Operating Income from leases}}{\text{Capitalization Rate (\%)}}$$



Based on the market transactions, we have arrived at Capitalisation rate of 8.00 % for the Property.

**Discount rate:**

Discount rate is used to compute net present value in the discounted cash flow analysis. The Discount Factor considered for arriving at the present value is the weighted average cost of capital (WACC). A debt-equity ratio comprising of 60% debt and 40% equity has been considered. The cost of equity is computed using the Capital Asset Pricing Model (CAPM) using the formula shown below.

$$r_E = r_f + \beta(r_m - r_f)$$

Where,

rf = Risk free rate

rm =Market return

β = Measure of Market Risk

WACC Calculation	Values
Target D/V	60%
Target E/V	40%
Cost of Debt (Kd)	
Assumed cost of debt	8.50%
Spread	0
Cost of Debt (Kd)	8.50%
Tax Rate	0
Net Cost of Debt	8.50%
Risk Free Rate (Rf)	7%
Expected Average Return of the market (Rm)	13%
Rm- Rf	6%
Beta - considering simple average	1.43
Beta - considering median	1.21
Alpha- Company/ Project Specific Risk Factor	1%
Cost of Equity (Ke) - considering Beta at simple average	16.90%
Cost of Equity (Ke) - considering Beta at median of Relevered Beta	15.55%
Cost of Capital - considering Beta at simple average of Relevered Beta	11.86%
Cost of Capital - considering Beta at median of Relevered Beta	11.32%

WACC is derived between 11.32% to 11.86%. Also, as per the market practice, other REIT valuations in India is considered at the WACC of 11.75%, which is within the same range. Hence, in line with the market practice and above derivation, we have considered WACC of 11.75%.

**Repair & Maintenance Cost:**

Assets requires a regular repair and maintenance to keep them operational and income generating. Keeping this in view 2% of the rent revenue every year has been taken as the repair and maintenance cost. The repair and maintenance cost have been allocated only after the asset has become operational.

**Downtime:**

A downtime of total 6 months has been considered as and when a lease expires. The downtime means that the asset shall not earn a rent during the period. The break-up of down time is 3 months for vacancy (time required for finding a new tenant and 3 months as rent-free period).



**Rent Premium for newer structures:**

For the purpose of this valuation, it has been assumed that newer structures i.e., buildings under construction and buildings earmarked for future development shall command a 5% premium on the prevalent market rent.

**Mountainstar India Office Parks Private Limited (MIOP) Arrangements:**

As informed by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management and operations of Candor Techspace G1 and administration of company's functions for period of 30 years.

Following are the assumptions made :

Particulars	Unit	Value	Remarks
Escalation in MIOP Rate card for CAM Services	(% every 3 years)	15%	Client Shared
Manpower Cost - occupied portion	%age of MIOP Revenue	35%	Colliers Assumption
Manpower Cost - vacant portion	%age of MIOP Revenue	50%	Colliers Assumption
Equipment & Machinery	%age of MIOP Revenue	5%	Colliers Assumption





**Project development status:**

Basis the information shared and as per the site observations, the project construction schedule for under construction and future development area has been assumed as following:

Building	31-Jul-23	30-Nov-23	31-March-24	31-July-24	31-Nov-24
Future Development	20%	20%	20%	20%	20%

**Other Pending Cost of Construction:**

Other pending construction cost includes cost to be incurred for under construction work and future development as mentioned below:

Pending cost of construction for under construction work is INR 247 Million, and pending cost of construction for future development is INR 473 Million (with average cost of construction rate<sup>1</sup> @ INR 4,300 per sq. ft.)

**NOI:**

NOI is the Difference of the sum of revenue from rent, CAM operations, MIOP margin, Car parking and Income support and the cost towards CAM operations, annual lease rent to Gurgaon Authority and Rent Permission Charges to Gurgaon Authority

**MIOP Margin:**

Candor India office Parks Private Limited (MIOP) has undertaken a transition, operations and maintenance agreement with M/s. Candor Gurgaon One Realty Projects Private Limited. The margin which MIOP earns, as reported, shall also be the part of cash inflows. Basis the rate card and information provided, the annual MIOP margin is projected as following:

Beginning Time Period		Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33	Apr-34	Apr-35	Apr-36	Apr-37	Apr-38	Apr-39	Apr-40	Apr-41
Ending Time Period	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42
Operational Portion	-																			
Total leased area - 12*6 & 0 CAM Model	18,89,515	19,90,833	21,99,733	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250
Total leased area - other model	8,97,352	9,64,897	11,04,164	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508
Vacant area	9,07,615	7,38,751	3,90,585	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724
Future Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	-	-	8,293	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214
Total leased area - other model	-	-	5,529	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476
Vacant area	-	-	20,806	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194
CIOP Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> The Construction cost of similar structure has been achieved by discussion with the in-house Project Management team of Colliers. The discussion reveals that the average construction cost of similar structure ranges between INR 4,000 to INR 4,500 per sq. ft. The exact cost for the same depends upon the type of construction and the quality of material.



Beginning Time Period	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33	Apr-34	Apr-35	Apr-36	Apr-37	Apr-38	Apr-39	Apr-40	Apr-41	
Ending Time Period	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42
Total leased area - 12*6 & 0 CAM Model	6	79	98	98	98	113	113	113	130	130	130	149	149	149	171	171	171	197	197	197
Total leased area - other model	7	90	113	114	114	131	131	131	151	151	151	173	173	173	199	199	199	229	229	229
Vacant area	2	15	11	11	11	13	13	13	15	15	15	17	17	17	19	19	19	22	22	22
Total CIOP Revenue	15	183	222	223	223	256	256	256	295	295	295	339	339	339	390	390	390	449	449	449
Manpower cost - occupied	5	59	74	74	74	85	85	85	98	98	98	113	113	113	130	130	130	149	149	149
Manpower cost - vacant	1	7	6	6	6	6	6	6	7	7	7	8	8	8	10	10	10	11	11	11
Equipment & Machinery Cost	1	9	11	11	11	13	13	13	15	15	15	17	17	17	20	20	20	22	22	22
Net CIOP Margin	9	108	132	132	132	152	152	152	175	175	175	201	201	201	231	231	231	266	266	266
Future Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	-	-	-	2	2	3	3	3	3	3	3	4	4	4	4	4	4	5	5	5
Total leased area - other model	-	-	-	2	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3
Vacant area	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CIOP Revenue	-	-	1	4	4	5	5	5	5	5	5	6	6	6	7	7	7	8	8	8
Manpower cost - occupied	-	-	0	1	1	2	2	2	2	2	2	2	2	2	2	2	2	3	3	3
Manpower cost - vacant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & Machinery Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net CIOP Margin	-	-	1	2	2	3	3	3	3	3	3	4	4	4	4	4	4	5	5	5
Total CIOP Margin	9	108	132	135	135	155	155	155	178	178	178	205	205	205	235	235	235	271	271	271
Terminal Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cashflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>MIOP - NPV - INR Mn</b>	<b>1,710</b>																			
<b>G1 - NPV - INR Mn</b>	<b>213</b>																			

Beginning Time Period	Apr-42	Apr-43	Apr-44	Apr-45	Apr-46	Apr-47	Apr-48	Apr-49	Apr-50	Apr-51	Apr-52	Apr-53
Ending Time Period	Mar-43	Mar-44	Mar-45	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51	Mar-52	Mar-53	Apr-54
Operational Portion												
Total leased area - 12*6 & 0 CAM Model	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250
Total leased area - other model	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508





Beginning Time Period	Apr-42	Apr-43	Apr-44	Apr-45	Apr-46	Apr-47	Apr-48	Apr-49	Apr-50	Apr-51	Apr-52	Apr-53
Ending Time Period	Mar-43	Mar-44	Mar-45	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51	Mar-52	Mar-53	Apr-54
Vacant area	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724
Future Development	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214
Total leased area - other model	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476
Vacant area	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194
CIOF Revenue												
Operational Portion												
Total leased area - 12*6 & 0 CAM Model	227	227	227	261	261	261	300	300	300	345	345	378
Total leased area - other model	264	264	264	303	303	303	349	349	349	401	401	439
Vacant area	26	26	26	29	29	29	34	34	34	39	39	43
Total CIOF Revenue	516	516	516	593	593	593	682	682	682	785	785	860
Manpower cost - occupied	172	172	172	197	197	197	227	227	227	261	261	286
Manpower cost - vacant	13	13	13	15	15	15	17	17	17	19	19	21
Equipment & Machinery Cost	26	26	26	30	30	30	34	34	34	39	39	43
Net CIOF Margin	306	306	306	352	352	352	404	404	404	465	465	509
Future Development	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	5	5	5	6	6	6	7	7	7	8	8	9
Total leased area - other model	4	4	4	4	4	4	5	5	5	6	6	6
Vacant area	0	0	0	1	1	1	1	1	1	1	1	1
Total CIOF Revenue	10	10	10	11	11	11	13	13	13	15	15	16
Manpower cost - occupied	3	3	3	4	4	4	4	4	4	5	5	5
Manpower cost - vacant	0	0	0	0	0	0	0	0	0	0	0	0
Equipment & Machinery Cost	0	0	0	1	1	1	1	1	1	1	1	1
Net CIOF Margin	6	6	6	7	7	7	7	7	7	9	9	9
Total CIOF Margin	311	311	311	358	358	358	412	412	412	474	474	519
Terminal Value	-	-	-	-	-	-	-	-	-	-	-	5,993
Brokerage	-	-	-	-	-	-	-	-	-	-	-	60
Net Cashflow	-	-	-	-	-	-	-	-	-	-	-	5,972

**Therefore, the NPV of MIOP is INR 1,710 Million as on March 31, 2025. NPV of G1 share of MIOP cashflows after March 2054, when the service agreement with MIOP is terminated, is INR 213 Million.**



**Income Support:**

Income Support is applicable on the areas that are currently vacant and on identified expiries due in FY2024. The Income Support and CAM support of Rs 80 + Rs 12 PSF/Month are applicable till March 31<sup>st</sup>, 2024. Both will escalate by 5% from April 01<sup>st</sup>, 2024 and be applicable till March 31<sup>st</sup>, 2025.

Beginning Time Period	Unit		Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34
Income Support - Vacant Area	(INR in Mn)	-	816	455	-	-	-	-	-	-	-	-	-
Income Support - for Downtime & Rent-Free Period Leased Area	(INR in Mn)	-	288	112	-	-	-	-	-	-	-	-	-
Income Support - for Rent Free Period Fresh Lease	(INR in Mn)	-	80	114	-	-	-	-	-	-	-	-	-
Total Income Support Constructed Area	(INR in Mn)	-	1,251	749	-	-	-	-	-	-	-	-	-
Income Support - for Rent Free Period Fresh Lease - Under Construction	(INR in Mn)	-	-	-	-	-	-	-	-	-	-	-	-
Total Income Support	<b>(INR in Mn)</b>	-	1,251	749	-	-	-	-	-	-	-	-	-

**CASH FLOW PROJECTION FOR G1 IN THE PROPERTY (OPERATIONAL PORTION):**

Beginning Time Period	Unit		Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34
<b>Particulars - Outflows</b>													
Construction Schedule/ Development Phasing		-	-	-	-	-	-	-	-	-	-	-	-
Constructed Area	(Sq.ft.)	-	-	-	-	-	-	-	-	-	-	-	-
Other Pending Construction Costs	(INR in Mn)	-	247	-	-	-	-	-	-	-	-	-	-
CAM Outflow		-	-	-	-	-	-	-	-	-	-	-	-
Constructed Vacant Area	(INR in Mn)	8	110	50	24	37	47	31	70	64	52	61	68
Leasing of vacant area	(INR in Mn)	-	40	128	187	197	207	217	228	240	252	265	279
Leased as on date of Valuation	(INR in Mn)	43	514	597	631	647	669	749	731	822	889	946	940
<b>Total CAM Outflow</b>	<b>(INR in Mn)</b>	52	664	774	842	880	923	997	1,029	1,125	1,193	1,272	1,287
Repair & Maintenance cost	(INR in Mn)	4	48	60	66	69	72	78	76	86	91	94	101
Brokerage	(INR in Mn)	-	67	69	9	18	53	15	11	6	27	5	4
Property Tax Liability to the Lessor	(INR in Mn)	0	2	3	3	3	3	3	3	3	4	4	4
<b>Total Outflows</b>	<b>(INR in Mn.)</b>	56	809	906	920	971	1,050	1,093	1,119	1,221	1,315	1,375	1,396
<b>Particulars - Inflows</b>													
Rental from Leasing		-	-	-	-	-	-	-	-	-	-	-	-
Leased portion	INR Mn	198	2,295	2,590	2,711	2,841	2,900	3,187	3,081	3,509	3,767	3,866	4,143
Leasing of vacant portion	INR Mn	-	94	418	723	760	813	845	873	934	972	1,004	1,075
<b>Total Rental Revenue</b>	<b>(INR in Mn)</b>	198	2,389	3,008	3,434	3,601	3,713	4,032	3,955	4,444	4,738	4,870	5,217
<b>Total Security Deposit</b>	<b>(INR in Mn)</b>	-	1,235	1,487	1,574	1,559	1,588	1,718	1,696	1,925	1,956	2,019	2,119
CAM Inflow		-	-	-	-	-	-	-	-	-	-	-	-
Leasing of constructed vacant area	(INR in Mn.)	-	53	170	249	262	276	290	304	320	336	354	372
Leased as on date of Valuation	(INR in Mn.)	58	686	796	841	863	892	998	975	1,095	1,185	1,261	1,253
<b>Total CAM Inflow</b>	<b>(INR in Mn.)</b>	58	739	966	1,090	1,125	1,168	1,288	1,279	1,415	1,521	1,615	1,625



Beginning Time Period	Unit	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33	
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	
<b>Particulars – Outflows</b>													
Interest on Security Deposit	(INR in Mn.)	-	74	89	94	94	95	103	102	116	117	121	127
Parking Revenue		-	-	-	-	-	-	-	-	-	-	-	-
Paid Car park Rate	(INR/ Month/ Per Spot)	5,000	5,138	5,400	5,677	5,967	6,272	6,593	6,931	7,285	7,658	8,050	8,462
Paid Car Park Allotment	(Nos.)	-	660	293	-	-	-	-	-	-	-	-	-
Total Car Parking Revenue	(INR in Mn.)	-	13	30	30	33	35	35	38	40	40	44	46
Revenue from Parking - Leased as on date of Valuation	(INR in Mn.)	7	84	96	100	105	108	118	111	122	130	118	138
Total Parking Revenue	(INR in Mn.)	7	96	126	130	138	142	153	149	162	170	162	184
Other Income	(INR in Mn.)	-	15	16	17	17	18	19	20	21	22	23	25
Income Support	(INR in Mn.)	-	1,251	749	-	-	-	-	-	-	-	-	-
<b>Total Inflows</b>	(INR in Mn.)	263	4,563	4,954	4,766	4,975	5,137	5,595	5,505	6,157	6,569	6,792	7,178
NOI	(INR in Mn.)	211	3,823	4,088	3,826	3,998	4,116	4,492	4,371	4,913	5,255	5,394	5,760
Net Cashflows	(INR in Mn.)	207	3,535	4,048	3,846	4,004	4,087	4,503	4,386	4,937	5,254	5,416	5,782
Terminal Value	(INR in Mn.)	-	-	-	-	-	-	-	-	-	-	71,994	-
Brokerage	(INR in Mn.)	-	-	-	-	-	-	-	-	-	-	720	-
Total Cashflow	(INR in Mn.)	207	3,535	4,048	3,846	4,004	4,087	4,503	4,386	4,937	5,254	76,690	5,782
Discount Rate	(%)	11.75%											
<b>NPV</b>	(INR in Mn.)	<b>49,494</b>											

Therefore, the estimated Market Value of G1 Share in the property for operational area is as **INR 49,494 Million**.





## CASH FLOW & NPV – AREA FOR FUTURE DEVELOPMENT:

Beginning Time Period	Unit		Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34
<b>Particulars - Outflows</b>													
<b>Construction Schedule/ Development Phasing</b>													
<b>Future Development</b>	<b>(Sq.ft.)</b>	1,03,884	-	-	-	-	-	-	-	-	-	-	-
<b>Other pending Construction Costs</b>	<b>(INR in Mn)</b>		279	194	-	-	-	-	-	-	-	-	-
<b>CAM Outflow</b>													
Vacant area	(INR in Mn)		-	3	1	1	1	1	1	1	1	1	1
Leased area	(INR in Mn)		-	3	26	27	28	30	31	33	34	36	38
<b>Total Cam Outflow</b>	<b>(INR in Mn)</b>		-	6	26	28	29	30	32	34	35	37	39
Repair & Maintenance cost	(INR in Mn)		-	0	1	1	1	1	1	1	1	1	2
<b>Brokerage</b>	<b>(INR in Mn)</b>		-	32	3	-	-	-	-	-	-	-	-
<b>Property Tax Liability to the Lessor</b>	<b>(INR in Mn)</b>		-	0	0	0	0	0	0	0	0	0	0
<b>Total Annual Rent</b>	<b>(INR in Mn)</b>		-	0	0	0	0	0	0	0	0	0	0
			-	-	-	-	-	-	-	-	-	-	-
<b>Total Outflows</b>	<b>(INR in Mn.)</b>		279	232	30	29	30	32	33	35	37	39	41
<b>Particulars - Inflows</b>	<b>Unit</b>												
<b>Rental from Leasing</b>													
<b>Total Rental Revenue</b>	<b>(INR in Mn)</b>		-	1	96	110	112	126	126	129	145	145	148
<b>Total Security Deposit</b>	<b>(INR in Mn)</b>		-	13	70	70	70	70	70	70	70	70	70
<b>CAM Inflow</b>													
Leased area	(INR in Mn.)		-	5	34	36	38	40	42	44	46	48	51
<b>Total CAM Inflow</b>	<b>(INR in Mn.)</b>		-	5	34	36	38	40	42	44	46	48	51
<b>Interest on Security Deposit</b>	<b>(INR in Mn.)</b>		-	1	4	4	4	4	4	4	4	4	4
<b>Parking Revenue</b>													
<b>Total Car Parking Revenue - Area to be leased</b>													
<b>Other Income</b>							1	1	1	1	1	1	1
<b>Income Support</b>													
<b>Total Inflows</b>	<b>(INR in Mn.)</b>		-	7	135	150	154	170	172	177	196	198	204
<b>NOI</b>	<b>(INR in Mn.)</b>		-	0	104	118	121	136	136	139	156	157	160
<b>Net Cashflows</b>	<b>(INR in Mn.)</b>		(279)	(225)	105	121	124	139	139	142	159	159	163
<b>Terminal Value</b>	<b>(INR in Mn.)</b>		-	-	-	-	-	-	-	-	-	2,037	-
<b>Brokerage</b>	<b>(INR in Mn.)</b>		-	-	-	-	-	-	-	-	-	20	-
<b>Total Cashflow</b>	<b>(INR in Mn.)</b>		(279)	(225)	105	121	124	139	139	142	159	2,176	163
<b>Discount Rate</b>	<b>(%)</b>	13.00%											
<b>NPV</b>	<b>(INR in Mn.)</b>	<b>671</b>											

Therefore, the estimated Market Value of G1 Share in the property for future development area is as **INR 671 Million**.



## 8.1 Summary

Based on the Income Approach (Discounted Cash Flow Method), below are the estimated market value of subject development based on assets type and development status.

Market Value of G1 in the Project	INR in Mn
Leased as on date of Valuation	49,494
Future Development	671
Value of G1 share of MIOP cashflows after March 2054 <sup>2</sup>	213
<b>Total</b>	<b>50,378</b>

Also, NPV of MIOP is as follows:

Market Value of MIOP in the Project	INR in Mn
MIOP – NPV as on March 31, 2025	1,710

<sup>2</sup> Upon termination of the Service Agreement between G1 and MIOP



## 9 CONCLUSION

We are of the opinion that the estimated **Market Value / NPV of the Property** of the Subject Property comprising a total leasable area admeasuring 37,98,366 Sq. ft, spread on a plot area 25.187 acres located at Candor TechSpace IT/ITeS, Village Tikri, Sector 48, Gurgaon, Haryana, as on March 31<sup>st</sup>, 2023, has been estimated as:

**INR 50,378 Million**

**(Indian Rupees Fifty Billion Three Hundred Seventy-Eight Million Only)**

NPV of MIOP is as follows:

Market Value of MIOP in the Project	INR in Mn
MIOP – NPV as on March 31, 2025	1,710

For and on Behalf of

**ANVI Technical Advisors Pvt Ltd**

**Registered Valuer Entity, IBBI Reg No: IBBI/RV-E/02/2019/101**

**Srinivas MVDS**

Director

ANVI Technical Advisors Pvt Ltd

**Ajay Sharma A S, MRICS**

Managing Director

Valuation Services

# 10 Appendix

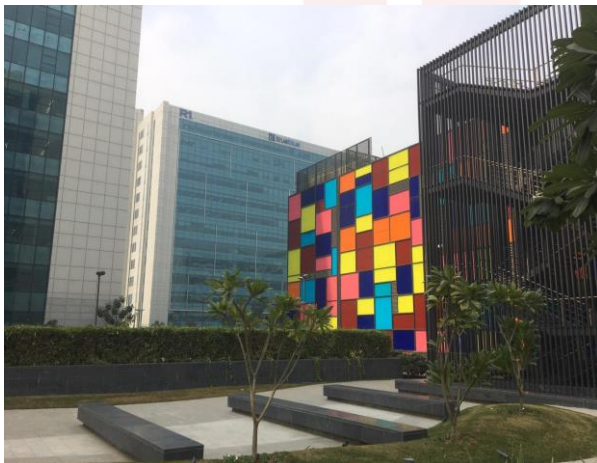
## Appendix I | Property Snapshots



View of the Subject Property



View of the Subject Property



View of the Subject Property



View of the Subject Property



View of the Subject Property



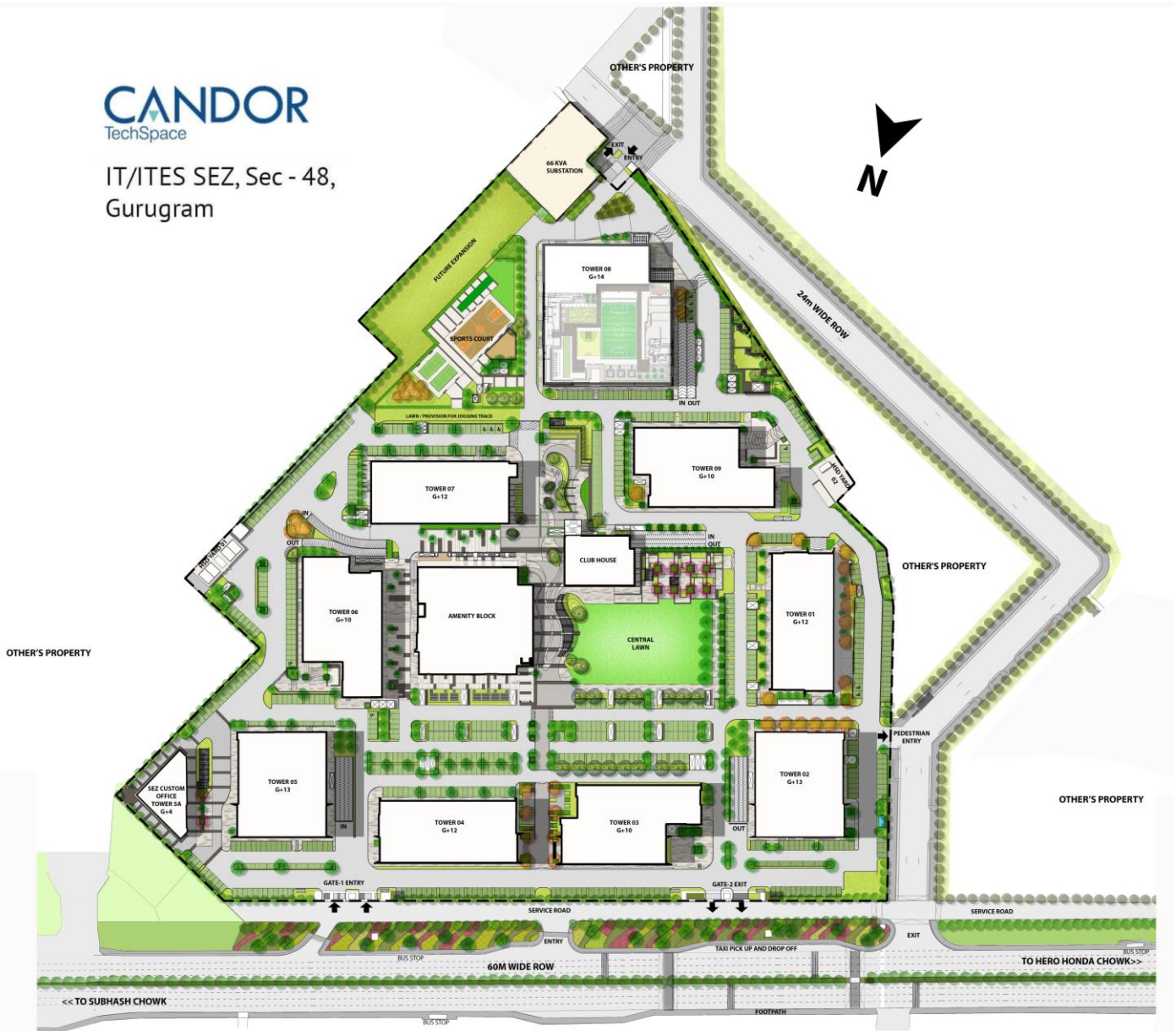
View of the Access Road



Appendix II | Layout Plan

**CANDOR**  
TechSpace

IT/ITES SEZ, Sec - 48,  
Gurugram







## Appendix III | Caveats and Assumptions

### DEFINITIONS

- 1.1 In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:
- 'Confidential Information'** means information that:
- (a) Is by its nature confidential.
  - (b) Is designed by Us as confidential.
  - (c) You know or ought to know is confidential.
  - (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.
  - (e) You or Your affiliates provide to Us for the purposes of the Services.
- 'Currency Date'** means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.
- 'Fee'** means the amount agreed to be paid for the Services as set out in the Quotation.
- 'Parties'** means You or Us as the context dictates.
- 'Quotation'** means the written quote provided by Us in relation to the Services.
- 'Services'** means the valuation services provided pursuant to these terms and conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.
- 'The Property'** means the assets which are subject of our appointment as your advisor. This may include land, buildings, plant & equipment and other assets as described in the appointment agreement.
- 'We', 'Us', 'Our', 'Colliers'** means Colliers International Limited.
- 'You', 'Your', 'Client'** means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.
- 'Professional Property Practice Standards'** refers to RICS Valuation - Professional Standards, or appropriate standards.

### 2. PERFORMANCE OF SERVICES

- 2.1 We have provided the Services in accordance with:
- a) The Terms and Conditions contained herein; or
  - b) As specifically instructed by You for the purpose of the Services; and
  - c) Within the current provisions set by the prevailing Professional Property Practice Standards.

### 3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated, no detailed on-site measurements have been taken.



- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property

**4. ENVIRONMENT AND PLANNING**

- 4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show the site is contaminated, our valuation may require revision.

**5. BUILDING AREAS**

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards
- 5.2 If you do not provide Us with a survey, We will estimate building areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment

**6. OTHER ASSUMPTIONS**

- 6.1 Unless otherwise notified by You, We will assume:
  - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the title.
  - (b) All licences and permits can be renewed and We have not made any enquiries in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural / dilapidation reports), we will rely upon the apparent expertise of such experts / specialists. We will not verify the accuracy of this information or reports and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the Client has provided us, to the best of its knowledge, with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the market value of the property is free from any influence and/ or point of views of any other parties.

**7. ESTIMATED SELLING PRICE**

- 7.1 Where you instruct Us to provide an estimated selling price, You agree that the Services:
  - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
  - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of title(s) or other enquiries as to encumbrances, restrictions or impediments on title(s); or other investigations which would be required for a formal valuation.
  - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.



7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an estimated selling price.

**8. CURRENCY OF VALUATION**

8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.

8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.

8.3 Without limiting the generality of 8.2, You should not rely upon Our valuation:

- (a) After the expiry of 3 months from the Currency Date;
- (b) Where circumstances have occurred during that period which may have a material effect on the value of the property, or the assumptions or methodology used in the valuation report.

**9. MARKET PROJECTIONS**

9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative Valuation of potentialities only, as opposed to certainties.

9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.

9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.

9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

**10. YOUR OBLIGATIONS**

10.1 You warrant that the instructions and subsequent information supplied by You, to the best of your knowledge, contain a full and frank disclosure of all information that is relevant to Our provision of the Services.

10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.

10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).

10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it / they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/or a copy of these terms and conditions.

10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;

- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
- (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
- (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.

10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and relying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.

10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made for any consequential or punitive damages.

10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.



10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

**11. CONFIDENTIALITY**

11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and/or the purposes as specified in the agreement, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.

11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.

11.4 Unless otherwise directed in writing by Client, SVEE Valuation and Advisory LLP and Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

**12. PRIVACY**

12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

**13. SUBCONTRACTING**

13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these terms and conditions, with Your consent.

**14. LIMITATION OF LIABILITY**

14.1 To the extent permissible under applicable laws, in no event shall SVEE Valuation and Advisory LLP and Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused, except for those as prescribed by law

14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (examples being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of SVEE Valuation and Advisory LLP and Colliers International. Notwithstanding this, SVEE Valuation and Advisory LLP and Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report, except as per law.

14.3 Neither SVEE Valuation and Advisory LLP and Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons / judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.

14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.

14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.



14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error / offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent .

services of a similar nature, we are only to be held liable for an amount of three times Our contracted fee for the assignment per property.

14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorised party.

14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.

14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work

**15. ENTIRE AGREEMENT**

15.1 No further agreement, amendment or modification of these terms and conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.

15.2 If there is inconsistency between these terms and conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.

15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated.

**16. ANTI BRIBERY AND CORRUPTION MEASURES**

16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.

16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own asset

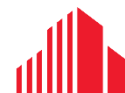
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**Strictly Confidential  
For Addressee Only**

**Independent Property  
Consultant Report on the  
Valuation Methodology of  
Brookfield India Real Estate Trust  
("Brookfield India REIT")**

**Report for**

**Brookfield India Real Estate Trust  
("Brookfield India REIT")**

**Report Date**

**16<sup>th</sup> May 2023**



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**From:**  
**Cushman & Wakefield India Pvt. Ltd.**  
14th Floor, Building 8, Tower C,  
DLF Cyber City, Gurugram – 122002,  
Haryana, India

**To:** Brookfield India Real Estate Trust ("Brookfield India REIT")

**Properties:** 1. Candor Gurgaon One Realty Projects Pvt. Ltd. ("G1")  
2. Kairos Property Managers Pvt. Ltd. ("Kairos Properties")

**Report Date:** 16<sup>th</sup> May 2023

## A REPORT

### 1 Instructions - Appointment

Cushman & Wakefield India Pvt. Ltd. (C&WI) as an independent international property consultant has been instructed by Brookfield India Real Estate Trust ("Brookfield India REIT") (the 'Client', the 'Instructing Party') to perform an independent review (the "Engagement"), of the Stated Procedure ( as defined in section 5 below), used for the valuation of the properties (the "Properties") in connection with the proposed acquisitions by Brookfield India REIT and provide an independent report ("Report"). The Report is prepared in accordance with the scope and other understanding between the parties as set out in the LOE dated 18<sup>th</sup> May 2022. ("Agreement").

The Properties considered as part of this study are detailed in Part B of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 1 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

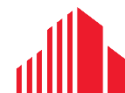
### 2 Professional Competency of C&WI Valuation & Advisory Services India

C&WI Valuation & Advisory Services India is an integral part of C&WI Global Valuation & Advisory Services team. The Global Valuation & Advisory team comprises of over 1,970+ professionals across approximately 150+ offices globally and India VAS team comprises of more than 50 professionals.

C&WI Valuation & Advisory Services India have completed over 9,997 valuation and advisory assignments across varied asset classes/ properties worth USD 446 billion.

We provide quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. We derive global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

In India, we have our presence since 1997. Our dedicated and experienced professionals provide quality services from 7 offices across India (Mumbai, Bengaluru, Chennai, Kolkata, Gurugram, Hyderabad and Pune). We have a strong team of experienced and qualified professionals dedicated to offer Valuation & Advisory



services in various locations across the country. C&WI utilizes internationally accepted valuation techniques customized to Indian context based on best practices in the industry.

Our professionals have diverse backgrounds such as RICS, CAs, CFAs, MBAs, Architects, Planners, Engineers etc. We are preferred valuers for global and domestic banks, financial institutions, Asset Reconstruction Companies (ARC's), Private Equity Funds, Non-Banking Financial Company (NBFC) etc.

### **3 Disclosures**

C&WI has not been involved with the acquisition or disposal of any of the Properties being considered for the Engagement within the last twelve months. C&WI has no present or planned future interest in the Manager, Trustee, Brookfield India REIT, the Sponsors and Sponsor Group to Brookfield India REIT or the SPVs and the fee for this Report is not contingent upon the review contained herein. C&WI has also prepared the Industry Report which covers the overview of the commercial real estate markets, the drivers and trends in the relevant cities/micro-markets. Our review should not be construed as investment advice; specifically, we do not express /any opinion on the suitability or otherwise of entering any financial or other transaction with the Client or the SPVs.

C&WI shall keep all the information provided by Client confidential.

### **4 Purpose**

The purpose of the Engagement is to review the assumptions and methodologies as set out in Annexure 2 ("Stated Procedure") which have been used for disclosure of valuation of the properties, in connection with the proposed acquisition by Brookfield India REIT in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines, and notifications thereunder in the Indian stock exchange. It is hereby clarified that we are not undertaking a valuation under the SEBI REIT Regulations, or any other enactment and the scope of work is expressly limited to what is stated herein.

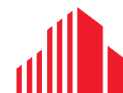
With respect to the aforementioned disclosure of valuation of assets, to be formed as a part of portfolio of Brookfield India REIT, this independent report is intended to be filed with the Securities and Exchange Board of India ("SEBI"), stock exchanges, trustee or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to Brookfield India REIT.

### **5 Scope of Work**

C&WI has given its views in relation to the Stated Procedure and this Engagement should not be considered as an audit of a valuation or an independent valuation of the Properties. C&WI has not developed its own opinion of value but has reviewed the Stated Procedure in light of the framework contained in the RICS Valuation Global Standards 2019 ("Red Book") which is compliant with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

C&WI review is limited, by reference to the date of this report and to the facts and circumstances relevant to the Properties at the time, to review and assess, under the Red Book standards:

- whether the key assumptions as set out in the Stated Procedure are reasonable; and
- whether the methodology followed as set out in the Stated Procedure is appropriate



## **6 Approach & Methodology**

C&WI has prepared the industry report including overview of the commercial office scenario for each of the markets/ sub-markets where Properties are present. C&WI has visited the Properties during the study.

C&WI has been provided with the information such as rent rolls, sample agreement copies, approval plans and other information such as Valuation Methodology and key assumptions including achievable rental for the property, rental growth rate, construction timelines, Capitalisation rates, Discount rates etc. An extract of the Methodology and Key assumptions is provided in Annexure 2.

## **7 Authority (in accordance with the Agreement)**

Client acknowledges and agrees that C&WI's services hereunder (including, without limitation, the Draft Report, and the Final Report ("Deliverables") itself and the contents thereof) are being provided by C&WI solely to the client in relation to Brookfield India REIT. If the client desires to use the Deliverables or C&WI's name in any other offering other than as contemplated under the Agreement, then the client shall obtain C&WI's prior written approval for such usage. The client shall indemnify C&WI for any losses suffered by C&WI due to such usage other than as contemplated under the Agreement. Additionally, the client herewith consents to provide or cause to be provided, an indemnification agreement in C&WI's favour, reasonably satisfactory to C&WI to indemnify C&WI for any use of the Report other than for the purpose permitted under the Agreement. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for statutory /other reporting for sharing with REIT investors/unitholders for Brookfield India REIT.

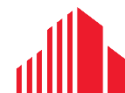
## **8 Third Party Claim Indemnity (in accordance with the Agreement)**

The Report issued shall be used by the client in relation to the purpose stated previously. In the event the client, (i) uses the Report not in accordance with the terms of the Agreement / as per purpose permitted under the Agreement or (ii) permits reliance thereon by, any person or entity as not authorized by C&WI in writing to use or rely thereon, the client hereby agrees to indemnify and hold C&WI, its affiliates and their respective shareholders, directors, officers and employees (collectively the "Representatives") harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim, arising from or in any way connected to the use of , or reliance upon, the Report. Notwithstanding the forgoing, the client shall not be liable under this clause if such damages, expenses, claims, and costs incurred as a result of C&WI's or any of its affiliates' or any of their respective Representatives' gross negligence, fraud, wilful misconduct, or breach of their confidentiality obligations under the Agreement. C&WI disclaims any and all liability to any party other than the client.

## **9 Limitation of Liability (in accordance with the Agreement)**

C&WI endeavours to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the Agreement, C&WI's total aggregate liability to the client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the professional indemnity insurance limited to aggregate sum not exceeding the total fees paid to C&WI by client hereunder.

In the event that C&WI is subject to any claims in connection with, arising out of or attributable to in any legal proceedings in all such cases, the client agrees to reimburse/ refund to C&WI, the actual cost (which shall include legal fees and external counsel's fee) incurred by C&WI while becoming a necessary party/respondent.



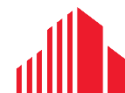
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## 10 Disclaimer

C&WI will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

## 11 Disclosure and Publications

You must not disclose the contents of this report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars.



## B REVIEW FINDINGS

Our exercise has been to review the Stated Procedure, which has been used, for conducting valuation of Properties in connection with disclosure of valuation of assets, to be formed as a part of portfolio of Brookfield India REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange, in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

The approach adopted by C&WI would be to review the Stated Procedure, which would have a significant impact on the value of Properties, such as:

- Achievable Rental for the property
- Rental Growth Rate
- Construction Timelines
- Capitalisation Rate
- Discount Rate
- Occupancy Projections

C&WI has:

- Independently reviewed the key assumptions as set out in the Stated Procedure and is of the opinion that they are reasonable.
- Independently reviewed the approach and methodology followed and analysis as set out in the Stated Procedure, to determine that it is in line with the guidelines followed by RICS and hence is appropriate.

C&WI finds the assumptions, departures, disclosures, limiting conditions as set out in the Stated Procedure, relevant and broadly on lines similar to RICS guidelines. No other extraordinary assumptions are required for this review.

The commercial real estate sector has shown significant improvement in CY 2022. Factors resulting in increase in the office demand includes a broad-based participation by large and small occupiers, continued entry of new GCCs into India, increased hiring by IT-BPM firms and start-ups, more employees returning to office.

We observe that the assumptions noted in Annexure 2, reflect these factors.

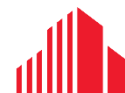


Below is the summary of the portfolio of the Properties as of 31<sup>st</sup> March 2023 which are spread across Gurugram and Mumbai has been reviewed:

To be Formed as a Part of REIT Portfolio 1						
Sr No	Location	Asset		Leasable Area		
		Subject Properties	Asset	Completed (In Msf)	Under Construction (In Msf)	Future Development (In Msf)
1	Sector – 48, Gurugram	Candor Techspace G1	G1	3.69	NA	0.10
2	Powai, Mumbai	Kairos Properties	Alpha	0.11	NA	NA
3	Powai, Mumbai	Kairos Properties	CRISIL House	0.21	NA	NA
4	Powai, Mumbai	Kairos Properties	Delphi	0.35	NA	NA
5	Powai, Mumbai	Kairos Properties	Fairmont	0.28	NA	NA
6	Powai, Mumbai	Kairos Properties	Winchester	0.75	NA	NA
7	Powai, Mumbai	Kairos Properties	Prudential	0.23	NA	NA
8	Powai, Mumbai	Kairos Properties	Spectra	0.19	NA	NA
9	Powai, Mumbai	Kairos Properties	One Boulevard	0.11	NA	NA
10	Powai, Mumbai	Kairos Properties	Ventura A	0.42	0.07	NA

1. For G1 based on Architect's Certificate Dated: 05<sup>th</sup> May 2023

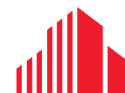
2. For Kairos based on Architect's Certificate Dated: 12<sup>th</sup> May 2023



**Below is the Property wise analysis:**

**REIT Portfolio**

- **Candor Techspace G1:** C&WI view of the achievable market rent for the asset would be in the range of INR 78-82 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Kairos Properties**
  - **Alpha:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 165-175 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **CRISIL House:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Delphi:** C&WI view of the achievable market rent for office spaces the asset would be in the range of INR 165-175 per sq. ft. per month; for retail spaces on the ground floor would be in the range of INR 265-275 per sq. ft. per month; and for retail spaces on the first floor would be in the range of INR 185-195 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Fairmont:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 140-150 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Winchester:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 140-150 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Prudential:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month; and for retail spaces on the ground floor would be in the range of INR 400-425 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Spectra:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.



- **One Boulevard:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 165-175 per sq. ft. per month; and for retail spaces on the ground floor would be in the range of INR 325-375 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Ventura A:** C&WI view of the achievable market rent for IT office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month; for Non-IT office spaces within the asset INR 165-175; for retail spaces on the ground floor would be in the range of INR 400-425 per sq. ft. per month; and for retail spaces on the first floor would be in the range of INR 250-300 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.

Considering the above-mentioned points, C&WI considers the market assumptions and the approach to valuation for the above Properties to be reasonable and in line with international valuation standards (RICS).





Signed for and on Behalf of Cushman & Wakefield India Pvt. Ltd

**Somy Thomas, MRICS**  
Managing Director,  
Valuation and Advisory Services



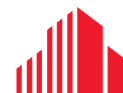
**Shailaja Balachandran, MRICS**  
Executive Director,  
Valuation and Advisory Services

**Sakshi Sikri, MRICS**  
Director,  
Valuation and Advisory Services

**Ailush Saraswat,**  
Associate Director  
Valuation and Advisory Services

**Chetan Arora,**  
Assistant Manager,  
Valuation and Advisory Services

**Simran Faridi,**  
Assistant Manager,  
Valuation and Advisory Services

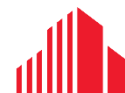


## Annexure 1: Instructions (Caveats & Limitations)

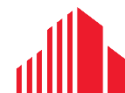
1. The Independent Property Consultant Report is not based on comprehensive market research of the overall market for all possible situations. C&WI has covered specific markets and situations, which are highlighted in the Report.

The scope comprises of reviewing the assumptions and methodology in the Stated Procedure, for valuation of the Properties. C&WI did not carry out comprehensive field research-based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI has relied on the information supplied to C&WI by the Client.

2. In conducting this assignment, C&WI has carried out analysis and assessments of the level of interest envisaged for the Property(ies) under consideration and the demand-supply for the commercial sector in general. The opinions expressed in the Report will be subject to the limitations expressed below.
  - a. C&WI has endeavoured to develop forecasts on demand, supply and pricing on assumptions that would be considered relevant and reasonable at that point of time. All of these forecasts are in the nature of likely or possible events/occurrences and the Report will not constitute a recommendation to Brookprop Management Services Private Limited, Brookfield India Real Estate Trust, Manager or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and basis on which forecasts have been generated and is not recommended as an input to a financial decision.
  - b. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
  - c. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI has relied upon secondary sources of information for a macro-level analysis. Hence, no direct link is to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
  - d. The services provided is limited to review of assumptions and valuation approach and other specific opinions given by C&WI in this Report and does not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI does not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - e. While the information included in the Report is believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
  - f. In the preparation of the Report, C&WI has relied on the following information:
    - i. Information provided to C&WI by the Client and subsidiaries and third parties;
    - ii. Recent data on the industry segments and market projections;
    - iii. Other relevant information provided to C&WI by the Client and subsidiaries at C&WI's request;
    - iv. Other relevant information available to C&WI; and
    - v. Other publicly available information and reports.



3. The Report is reflecting matters as they currently exist. Changes may materially affect the information contained in the Report.
4. In the course of the analysis, C&WI has relied on information or opinions, both written and verbal, as currently obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third-party organizations, and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.



## Annexure 2: Extract of Methodology & Key Assumptions for the Valuation of Properties

**Note:** The Properties has been referred to as “Subject Properties” by the valuer. Similar representation has been followed in this section.

### **Valuation Approach and Methodology**

- **PURPOSE OF VALUATION**

The purpose of this valuation exercise is to estimate the value of the Subject Properties to be formed as a part of the portfolio of Brookfield India REIT, for reporting purposes under the SEBI (Real Estate Investment Trust) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder and also disclosure requirement of fair valuation of investment properties as per (Ind AS) 40.

- **VALUATION GUIDELINE AND DEFINITION**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Properties in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

As per IVSC International Valuation Standards, “Market Value” is defined as ‘*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*’

- **VALUATION APPROACH**

The basis of valuation for the Subject Property being Market Value, the same has been derived by the following approach:

***Discounted Cash Flow Method using Rental Reversion***

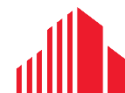
*The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market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

*For the purpose of the valuation of Subject Properties, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.*

- **Valuation Methodology**

In order to compute the Market Value of the Subject Property the following understanding /assessment is required :

- a. Micro Market Assessment where the Subject Property is located.
- b. Portfolio Assessment (existing and future supply, demand from occupiers, average office space take up by an occupier in a particular sector, existing vacancy and the rentals)
- c. Situation of the Subject Property (current achievable rentals, vacancy numbers, competing supply in the micro market etc.) with respect to the micro market.



The details are elaborated below :

**Market Assessment:**

The Client appointed Cushman & Wakefield (C&WI) to prepare an independent industry and market research report, which has been relied upon to develop the understanding and assess the relevant micro-markets of the Subject Property. The said review, was carried out in the following manner:

- Details study of the market dynamics influencing the rents along with Subject Property rents.
- Assessment of the location setting of the Subject Property in the respective micro-markets.
- Ascertain the transaction activity of office space based on the findings of the industry/market report prepared by C&WI and readily available information in public domain
- Review of comparable properties in terms of potential competition (both completed and under-construction/future developments), comparable recent lease transactions witnessed in the micro-market along with the trends in leasing within the Subject Property in recent past, wherever available.

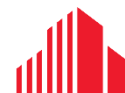
The above analysis support to form an opinion on the applicable rental for the micro-market where the respective Subject Property are located (market rent ) and on achievable rent for the respective Subject Property for leasing vacant spaces, as well as upon re-leasing of the existing let out area.

**Portfolio & Rental Assessment:**

- Property Documents and architect certificates were reviewed for validation of area details, ownership interests of the Subject Property.
- Physical site inspections were conducted to assess the current status of the Subject Property.
- The rent rolls along with corresponding leases deeds (on a reasonable sample basis) were reviewed to identify tenancy characteristics for the Subject Property.

**Preparation of Future Cash Flows:**

- Computing the monthly rental income projected and translating the same to a quarterly cash flow.
- The operational expenses of the respective properties are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable nature expenses and accordingly estimate the margins on the common area maintenance income, which accrues as cash inflows to the Subject Property and normalised for the purpose of cash flow projections
- The projected future cash flows from the Subject Property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Property.
- The cash flows for the operational, under construction and future development area have been projected separately for the purpose of estimating and reporting valuation in accordance with the SEBI (REIT) Regulations
- For vacant area, under-construction area and future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area.
- Recurring operational expenses, fit-out income (wherever applicable, however, the same has not been included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provision have been adopted in-line with prevalent market practices and conditions.



- In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage.

These cash flows have been projected for 10-year duration from the date of valuation wherein 11th year Net operating income (NOI) is capitalized for the assessment of terminal value. These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate to arrive at the Market Value of the Subject Property.



## Key Assumptions

### Properties to be formed as a part of REIT Portfolio

#### 1. Candor Techspace G1

Particulars	Units	Details	
<b>Property details</b>			
Type of property		<b>Completed</b>	<b>Future Development</b>
Leasable area	Msf	3.69	0.10
Committed Occupancy	%	75.43%	NA
<b>Key Assumptions</b>			
Achievable Market Rental per month	INR per sq. ft.	76	76
Rental Growth	(for FY'25 - FY'28)	%	6.00%
Rate	(from FY'29 onwards)	%	5.00%
Normal Market lease tenure	Years	9	9
Construction start date	Date	NA	Q1 FY 2025-26
Construction end date	Date	NA	Q4 FY 2025-26
Capitalization Rate	%	8.00%	8.00%
WACC	%	11.75%	13.00%

NA - Not Applicable

#### 2. Alpha

Particulars	Units	Details	
<b>Property Details</b>			
Type of property		<b>Completed</b>	
Leasable area	Msf	0.11	
Committed Occupancy	%	73.2%	
<b>Key Assumptions</b>			
Achievable Rental per month	INR per sq. ft.	170	
Rental Growth	(for FY'25 - FY'26)	%	6.0%
Growth Rate	(from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5	
Capitalization Rate	%	8.00%	
WACC	%	11.75%	

#### 3. Crisil House

Particulars	Units	Details	
<b>Property Details</b>			
Type of property		<b>Completed</b>	
Leasable area	Msf	0.21	
Committed Occupancy	%	100.0%	
<b>Key Assumptions</b>			
Achievable Rental per month	INR per sq. ft.	155	
Rental Growth	(for FY'25 - FY'26)	%	6.0%
Growth Rate	(from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5	
Capitalization Rate	%	8.00%	
WACC	%	11.75%	



#### 4. Delphi

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.35
Committed Occupancy	%	93.1%
<b>Key Assumptions</b>		
Achievable Rental per month - Office	INR per sq. ft.	155
Achievable Rental per month – Retail (GF)	INR per sq. ft.	270
Achievable Rental per month – Retail (FF)	INR per sq. ft.	190
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

#### 5. Fairmont

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.28
Committed Occupancy	%	100.0%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	145
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

#### 6. Winchester

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.75
Committed Occupancy	%	83.9%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	145
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%





## 7. Prudential

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.23
Committed Occupancy	%	90.6%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	155
Achievable Rental per month – Retail (GF)	INR per sq. ft.	405
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

## 8. Spectra

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.19
Committed Occupancy	%	65.2%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	155
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

## 9. One Boulevard

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.11
Committed Occupancy	%	100.0%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	170
Achievable Rental per month – Retail (GF)	INR per sq. ft.	350
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%



## 10. Ventura A

Particulars	Units	Details	
<b>Property Details</b>			
Type of property		<b>Completed</b>	<b>Under-Construction</b>
Leasable area	Msf	0.42	0.07
Committed Occupancy	%	95.2%	24.5%
<b>Key Assumptions</b>			
Achievable Rental per month for IT office	INR per sq. ft.	155	155
Achievable Rental per month for Non-IT office	INR per sq. ft.	170	170
Achievable Rental per month – Retail (GF)	INR per sq. ft.	405	405
Achievable Rental per month – Retail (GF)	INR per sq. ft.	280	280
Rental (for FY'25 - FY'26)	%	6.0%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%	5.0%
Normal Market lease tenure	Years	5	5
Construction start date	Date	NA	Dec-21
Construction end date	Date	NA	Sep-23
Capitalization Rate	%	8.00%	8.00%
WACC	%	11.75%	11.75% / 13.00%*

NA - Not Applicable

\*Refurbishment works on the 1st Floor (part) of Ventura A has been completed and approvals from relevant authorities are pending. For 1st floor of Ventura A, the discount rate is assumed to be 11.75% ie similar to completed buildings