

# Direct Beneficiary of Post-pandemic Recovery



Dear Unitholders,

It gives me immense pleasure to share with you our first annual report, which highlights the resilience of our business in the face of unprecedented challenges. Our strong relationship with our tenants and the value proposition of our properties enabled us to keep our Portfolio stable and strong through these challenging times.

We kept our properties 100% operational during the lockdown and also became the first office portfolio in India to receive the Bureau Veritas safeguard certification, which is a testament to our commitment to the health and well-being of our employees, tenants and the larger ecosystem in which we operate. We have partnered with leading health care service providers and local government authorities, to initiate vaccination camps to enable safer return to workplace.

### DELIVERING ALL-ROUND PERFORMANCE AMID OPERATIONAL CHALLENGES

Despite a pandemic-induced challenging operating environment, we exited FY2021 with a 91% Same Store Committed Occupancy with 93% of our value in completed assets. Our rental collections came in above 99% including a 9% escalation on 3.7 million square feet of leased area. We also retained 1.7 million square feet of area, taking our overall tenant retention rate to almost 80%. Operating lease rentals grew to ₹6.1 billion, while NOI remained

flat at ₹6.5 billion, despite lower CAM margins due to limited activity at our campuses. Meanwhile, despite labor shortages, we managed to deliver 4.8 lakh of new area in Candor TechSpace N1 and utilized the downtime to do asset upgrades across campuses. Our balance sheet remains strong with low leverage, which provides sufficient headroom to raise capital for growth if required.

### STRONG POST-PANDEMIC RECOVERY IN SIGHT

As vaccinations roll out, we expect tenants to return to the office as they have in other parts of the world. Although a certain percentage of the workforce may work from home on a more permanent basis, we do not see the hybrid model having any significant impact on our business. With the technology services industry reporting increased revenues and headcount, we are confident about being a direct beneficiary of the post-pandemic recovery, given the predominant presence of technology companies in our tenant base.



COVID-19 Preventive Measures

In fact, demand for high-quality office space is likely to increase, with limited supply visibility. Our campuses have the best-in-class health and safety standards in place, which along with our placemaking capabilities and in campus experiences are likely to attract existing and prospective tenants. With future development potential, our campuses are also well placed to house the growth of our tenants, like they have done over the past many years.

### HEALTH, SAFETY AND SUSTAINABILITY GAIN CENTER STAGE

At Brookfield India REIT, sustainability is embedded in our operating model. We strive to mitigate the impact of our operations on the environment, ensure the wellbeing and safety of employees and tenants, demonstrate the highest standards in ethical business conduct and make a meaningful difference to the lives of communities we touch. We are also deploying next generation technologies such as artificial intelligence to make our campuses safer, including contactless access to premises and elevators, while ensuring seamless communication with our stakeholders and improving operational efficiency. We have also set annual targets for reducing energy and water consumption.

As a member of Valuable 500, we have pledged to ensure inclusivity. We have undertaken several initiatives including infrastructure upgrades such as ramps, tactile flooring, staircases, among others, to make our campuses universally accessible. We also hosted 'India Inc - The

Valuable 500' in collaboration with CII-India Business Disability Network (IBDN) and Enable India to create awareness about making specially abled inclusion a boardroom agenda.

### LOOKING AHEAD

During the first quarter of 2021, tenants gradually started returning to office and discussions on new space take-up gathered momentum, which also provided us insights into our tenants' industry outlook and office leasing trends for FY2022. However, the second wave of COVID-19 pushed back the recovery in office demand by at least four to six months. While this could partially impact our renewals and increase lease expiries in FY2022, this is likely to be a short-term manageable impact and does not affect our long-term fundamentals.

I conclude by expressing my sincerest gratitude to all our stakeholders for their unwavering support in our exciting growth journey. We look forward to setting new benchmarks in India's REIT space, in alignment with the nation's accelerated recovery going forward.

Sincerely,

**Alok Aggarwal**  
CEO

Manager of Brookfield India Real Estate Trust