Management Discussion and Analysis

The activities, financial condition and results of operations in this discussion and analysis are based on the audited Consolidated Financial Statements and audited Standalone Financial Statements of Brookfield India REIT for the financial year ended March 31, 2022. The financial numbers for the financial year ended March 31, 2022 and the previous financial year ended March 31, 2021 of Brookfield India REIT are subject to the following:

- Standalone Financial Statements of Brookfield India REIT for the financial year ended March 31, 2021 are for the period July 17, 2020 to March 31, 2021 as the Brookfield India REIT was settled on July 17, 2020 by the Manager as a contributory, determinate and irrevocable trust under the provisions of the Indian Trusts Act, 1882. Standalone Financial Statements for the financial year ended March 31, 2022 are from April 1, 2021 to March 31, 2022.
- Consolidated Financial Statements of Brookfield India REIT for the financial year ended March 31, 2021 are prepared by consolidating the Asset SPVs and CIOP except SDPL Noida, from February 8, 2021 to March 31, 2021 as the entire shareholding (including convertible securities) held by the Sponsor and certain members of the Sponsor Group, in each of the Asset SPVs and CIOP, were acquired in exchange for Units on February 8, 2021.
- Consolidated Financial Statements of Brookfield India REIT for the financial year ended March 31, 2022 are prepared by consolidating the Asset SPVs and CIOP except SDPL Noida from April 1, 2021 to March 31, 2022 and SDPL Noida, is consolidated from January 24, 2022 as it was acquired by Brookfield India REIT on January 24, 2022.

The financial information for the financial year ended March 31, 2022, and March 31, 2021, are presented to provide only general information of Brookfield India REIT's performance based on certain key financial and operational metrics. They do not purport to present a comprehensive representation of the financial performance for this period. Brookfield India REIT, the Trustee and the Manager make no representation, express or implied, as to the suitability or appropriateness of this information to any investor or person.

Certain information contained herein constitute forward-looking statements by reason of context. Additionally, words like 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions have been used to identify forward-looking statements. Actual events and performance or projections or prospects of Brookfield India REIT may differ materially from those reflected or contemplated in such forward-looking statements as they involve known and unknown risks, uncertainties and changes beyond our control. These factors include but are not limited to general economic conditions, changes in interest and exchange rates, availability of equity and debt financing and risks specific to underlying portfolio company investments. The Manager is not obligated to publicly amend, modify, or revise any statements herein on the basis of any subsequent development, information or events, or otherwise.

Please refer to the disclaimer section at the end of this Report for a discussion of the risks and uncertainties related to those statements. This discussion should be read in conjunction with Brookfield India REIT's audited Consolidated Financial Statements and audited Standalone Financial Statements included in this Report and the accompanying notes to accounts.

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

EXECUTIVE OVERVIEW

Listed on BSE and NSE, Brookfield India REIT is India's only 100% institutionally managed real estate investment trust. As of March 31, 2022, Brookfield India REIT owns and operates five integrated campus-format office parks having world-class amenities in key gateway markets of Mumbai, Gurugram, Noida and Kolkata. These fully integrated, campus-format office parks have a total Leasable Area of 18.6 M sf, comprising 14.1 M sf of Operating Area, 0.2 M sf of Under Construction Area[1] and 4.4 M sf of Future Development Potential as on March 31, 2022. Deriving 93% of their value from operational buildings, these stabilized assets have an Effective Economic Occupancy of 87% and a WALE of 7.1 years, giving them high future rental visibility.

We believe that our office parks are amongst the highest quality ones in India, providing a complete ecosystem

Brookfield India REIT owns and operates five integrated campus-format office parks having world-class amenities in key gateway markets of Mumbai, Gurugram, Noida and Kolkata.

[1] Occupancy Certificate for Candor TechSpace N2 Tower 11A was received on May 30, 2022

and growth-centric environment to multinational corporates and technology companies. They are distinguished by their size and scale, accessibility to mass transportation, high entry barriers for new supply, limited vacancy and robust rental growth rates.

Key operating metrics of the properties as on March 31, 2022

	Area M sf			Leased Area					
Asset	**Completed area**	**Ongoing/ Future development area**	**Total area**	**Area in M sf**	***Office Tenants**	**Committed Occupancy %**	**WALE (Yrs.)**	**In-place rent (₹ P sf)**	**Market Value (₹ B)**
Kensington, Powai, Mumbai	1.6 (1.5)	- (-)	1.6 (1.5)	1.4 (1.3)	8 (8)	90 (86)	2.1 (2.5)	97.6 (91.7)	27 (25)
Candor TechSpace G2, Gurugram	3.9 (3.9)	0.1 (0.1)	4.0 (4.0)	3.2 (3.6)	17 (15)	83 (92)	8.1 (7.0)	79.4 (79.9)	45 (44)
Candor TechSpace N1, Noida	1.9 (1.9)	0.9 (0.9)	2.8 (2.8)	1.5 (1.3)	24 (19)	77 (71)	7.0 (7.3)	48.0 (45.8)	21 (20)
Candor TechSpace K1, Kolkata	3.1 (3.1)	2.7 (2.7)	5.7 (5.7)	2.6 (2.8)	14 (15)	84 (91)	7.5 (7.3)	42.1 (42.8)	26 (26)
Initial Portfolio	**10.4 (10.3)**	**3.6 (3.7)**	**14.1 (14.0)**	**8.7 (9.0)**	**60 (52)**	**84 (87)**	**6.8 (6.5)**	**65.9 (65.2)**	**119 (115)**
Candor TechSpace N2, Noida	3.6	0.9	4.5	2.9	21	80	8.2	52.9	41
Consolidated REIT	**14.1**	**4.6**	**18.6**	**11.6**	**75**	**83**	**7.1**	**62.7**	**160**

* Figures in bracket correspond to the previous year March 31, 2021

Our approach to deliver sustained risk adjusted returns to Unitholders

- Stable yield through long-term portfolio contracts
- Property level income growth through contractual rent escalations, mark to market potential and in-situ development potential
- Acquisition of Identified Asset and the ROFO Properties
- Asset value appreciation through continuous upgrades

Achieved through

Maximising performance of our portfolio by:

- Proactive portfolio management led by an experienced management team
- Ensuring prudent capital structure
- Globally benchmarked corporate governance framework
- Leverage Brookfield's global expertise, relationships and experience of managing similar public market vehicles

ECONOMY AND INDUSTRY OVERVIEW

Indian Macro-economy Review

The ongoing COVID-19 pandemic has been the first of its kind the world has witnessed in the 21st century. The cyclical slowdown that set in the Indian economy before the outbreak of the pandemic got exacerbated on the back of cliff effects and scarring generated by the pandemic. Despite having witnessed one of the steepest contractions in gross domestic product (GDP) in Q1:2020-21 and being hit by three successive waves, the Second Advance Estimates of National Income released on February 28, 2022 indicate that the economy has surpassed its pre-COVID level in 2021-22, on the back of unprecedented policy support from monetary and fiscal authorities[1].

The Indian economy witnessed sharp rebound in FY2022 supported by strong growth in several high frequency indicators. As per the estimates of National Statistics Office, the GDP is estimated to grow 8.7% in FY2022 as against a contraction of 6.6% in FY2021, thus surpassing the pre-pandemic output of FY2020. This is in similar lines with the second advanced estimate of 8.9%.

Strong support from the Government in the form of pumping investments and promoting AtmaNirbhar Bharat through Production Linked Incentive Schemes led to the economy remaining resilient. Continuing with this, the Government introduced a pro-development and growth-oriented Budget 2022-23 that seeks to build a solid foundation of the economy over the next 25 years.

[1] Report on Currency and Finance, 2021-22, Revive and Reconstruct, Reserve Bank of India, April 29, 2022

Overall, the outlook of Indian economy remains positive. Declining COVID-19 caseloads and higher vaccination coverage has resulted in uplifting of most restrictions which has improved consumer and market sentiments. IMF projects the Indian economy to grow 7.1% in FY2023 on the back of fiscal efforts by the government as well as improved liquidity and credit growth that are likely to drive investments and consumptions. (Source: National Statistics Office, Union Budget 2022-23, IMF).

The capital expenditure push in the Union Budget for 2022-23 can also provide the much-needed support to achieve sustained high growth by enhancing productive capacity, crowding in private investment and strengthening aggregate demand. Though both private consumption expenditure and investment marginally surpassed their respective pre-pandemic levels in 2021-22, there is a need to strengthen the growth momentum to compensate for the lost output. (Report on Currency and Finance, 2021-22, Revive and Reconstruct, Reserve Bank of India, April 29, 2022).

Commercial Real Estate (CRE) Industry Review

FY2021 was a challenging year for the real estate industry (both residential and commercial segments) as the pandemic delayed constructions and launches. CRE faced greater challenge due to various workplace restrictions and companies still operating remotely. While the industry saw some revival in last quarter of FY2021, a more intense second wave curtailed market traction.

Despite the continued cyclical upswings and downswings of the COVID-19 pandemic, the Indian real estate sector has remained largely resilient. It is now showing signs of revival, on the back of India's strong position as a driver of the global economy as well as promising growth projections across segments such as office, residential and alternative real estate segments.

Since the second quarter of FY2022 there has been a gradual rise in office market demand with companies returning to offices. (Source: Knight Frank India Real Estate Report July-December 2021)

Over the last two years, IT companies have performed very well. Their headcount has grown by 30% to 40%. The substantial hiring by companies in the sector is an indicator of their plans to return to office, and thus growth in demand for new office spaces.

Office - Positive momentum to sustain through 2023

The gross absorption in office space is expected to touch an average of c. 55 M sf. in 2022 and 2023, a growth of about 15% from 2021. Technology firms would continue to dominate leasing while flexible space operators, BFSI, engineering and manufacturing and life sciences segment are expected to contribute to the growth in office space take-up significantly. Similar to earlier years, Bengaluru, Hyderabad, Mumbai and Delhi-NCR are expected to continue to drive transaction activity in future.

The physical offices are here to stay, along with hybrid working and workplace strategies would evolve to suit the new role of the office, as it becomes a center of collaboration and means to improve productivity levels.

The Pan India sectoral absorption analysis is as follows;

2016 – Q1 2022 Sectoral Absorption Analysis – Pan India (289.6 M sf)

- **18%** Banking, Financial Services, Insurance
- **3%** Ecommerce
- **10%** Engineering & Manufacturing
- **4%** Healthcare & Pharmaceutical
- **5%** Media & Telecom
- **25%** Others
- **8%** Professional Services
- **27%** Technology

(Source : Cushman & Wakefield Industry Report FY2022)

Key trends shaping the commercial real estate industry

The pandemic has triggered several changes and transformation in operating models for companies. A major one being reimaging the workplace in line with some key trends to drive employee productivity, ensure higher retention and to attract best talent. These trends include:

- **Hybrid work:** Remote working during pandemic revealed that employee productivity got higher due to savings in travel time and better work-life balance. Despite this, working from office continues to remain as it ensures greater collaboration among teams and drives creativity. Organizations may need to adopt a hybrid work model which provides benefits of both, can drive their agility and provide flexibility to workforce.
- **Flexible future:** Operational disruptions triggered by pandemic led to the realization that organizations need to be more flexible to respond with agility to any shocks. Thus, they are increasingly integrating flexible operating model strategy that can increase agility and support workforce mobility.
- **Thriving and equitable workforce:** Organizations would need to reimagine workplaces around human-centricity, giving importance to workforce strategies

and prioritizing their physical and mental wellbeing. Further, with diversity, equity and inclusion becoming critical to attract and retain talent as well as drive performance and innovation, workplaces would be required to be more inclusive where individual needs of diverse workforce are met. These will help create a compelling value proposition to attract and retain employees as well as driving their productivity.

- **Technology:** The transformative potential of data is inevitable. Organizations would need to create a workplace where data is increasingly used in planning and decision-making, thus facilitating in driving tangible insights and ensuing readiness to changes. They would also need transition towards digital solutions relevant to their operations and which supports fluid, hybrid workplaces.

  (Source: JLL Top 10 Global CRE Trends 2022 report)

Long-term opportunities for Grade A Office Parks[1]

Office for connection and community: The definition of workspace is changing. There is a realization among employers that several forms of work, especially those involving high-end knowledge can be done more effectively away from the workplace. The importance of workplace would be more from the point of attracting and retaining employees by providing them space to connect, socialize and collaborate. Grade A office parks that offer world-class amenities and infrastructure are an ideal location to bring people together.

IT industry growth: The pandemic has accelerated the digital transformation journey of organizations. Over the next few years, they are expected to substantially increase their IT related spending. Indian IT industry, which has evolved from a low-cost business process outsourcing to a high-end, value-added services and digital business offerings (Internet of Things, cloud, analytics, blockchain) destination is likely to be a key beneficiary. In FY2022, the industry participants undertook extensive hiring activity to deliver the upcoming opportunities. The sector being one of the top absorbers for Grade A office parks, the demand for office space will likely grow rapidly.

De-densification: The COVID-19 outbreak across the world have necessitated corporates to re-assess office layouts and focus on compliance with health and safety norms. This is expected to increase the average space per employee and thus office space demand in the short to medium term. Grade A office parks that are spread across vast areas and have facilities such as ambulance support and pharmacies would be ideal.

[1] Cushman and Wakefield Industry Report

Global Capability Centers (GCCs): GCCs will remain at the forefront of new age technology-enabled solutions for providing end-to-end support on complex work areas to deliver business impact that goes well beyond cost savings and operational improvement. Over the last two decades, India has been a major destination for MNCs for setting up GCCs. Significant growth was seen in the last five to six years. It is expected that in next three years, the employee strength in GCCs from existing 7.5 lacs to 1.38 mn, to go beyond 1.8 mn to 2.0 mn and similarly Global MNCs with centers in India is expected to grow from 1,430 centers in FY2021 to 1900-2000 centers by FY2025E. These centers will be the future growth drivers of Grade A office spaces in India and Brookfield India REIT will benefit from this growing demand of Grade A office spaces.

Fintech and Financial Services: Fintech is a portmanteau of the terms "finance" and "technology" and refers to business that uses technology to enhance or automate financial services and processes, that serves the interests of both consumers and businesses in multiple ways. India is the fastest growing Fintech markets in the world. The key driving factors of Fintech business growth is high volume of funding from venture capital, private equity and institutional investors, financial inclusion initiatives of Government of India like PMJDY, Day- NRLM, Direct Benefit Transfer and Atal Pension Yojna, have accelerated the digital revolution, technological innovations, increasing internet and smartphone penetration, among others. Post COVID-19, the contribution of Fintech industry towards driving the demand for office space has increased exponentially due to the increased digital adoption and a healthy pipeline in potential Unicorn list. The increased entrepreneurship and rapid growth of start ups presents the remarkable growth story for India office space.

Also, the financial services have been one of the emerging sectors in India and consists of banking, capital markets, insurance, non-banking financial services, pension funds, mutual funds, among others. The industry is expected to witness increased activity over the next decade due to the grant of new banking licenses, expansion of existing banks and NBFCs and an increasing financial penetration led by the government's push on digital services. The expected rise of the banking and insurance sector on the back of these measures will be conducive for the contribution of the financial services sector in the future demand for office space.

Flexi Space: The growing interest of enterprise clients in flexible workspaces that were traditionally explored only by freelancing professionals and start ups is a clear indication of new normal for the sector. The reasons for preference of flexi space are global mandate for an agile workplace, reduced administrative hassles, modern office provisions to attract new age workforce, diversification of operational risk, limited capital expenditure, lease flexibility. Demand for flexi workspaces, will continue to rise in 2022 and beyond. A higher proportion of Grade A supply coming into the market over the next few years and is expected to cater to the demand for managed space with the largest operators ramping up their activity. Over the next decade, managed offices are likely to account for over 10% of pan India Grade A office inventory from 5-6% at present.

E-Commerce: This is also one of the fastest growing sectors in the country, witnessing a record double digit growth at 39% in FY2022. The E-commerce industry has caused a forced shift to online marketplaces for many consumers that also include first time users, a trend that is seen to persist over the long term. With increasing demand and supportive infrastructure, many Indian PE firms are looking forward to investing in the sector. As the growth of the sector is expected to increase manifold, the demand for real estate is also expected to increase substantially.

PERFORMANCE REVIEW FY2022

Brookfield India REIT performance

FY2022 was marked by an increased leasing activity among corporates as they gradually ramped up back to office plans alongside looking to accommodate a larger workforce and a stronger core business. The technology sector continues to account for highest office space demand driven by strong hiring activity. The third wave of the pandemic was markedly less severe than the second. While it resulted in a few weeks of delay in leasing decisions, it did not result in occupiers rethinking their office strategy. In fact, the most of large IT firms have asked their employees to plan their return to work schedules for H1 FY2023.

Brookfield India REIT was a key beneficiary of this demand revival, witnessing a strong leasing momentum backed by the high-quality of our office parks. In line with our strategy of continuously growing our portfolio of high-quality and income generating assets, we acquired

FY2022 was marked by an increased leasing activity among corporates as they gradually ramped up back to office plans alongside looking to accommodate a larger workforce and a stronger core business.

Candor TechSpace N2 in January 2022 for an enterprise price of ₹39.7 B. It is the largest office SEZ in Noida with a total area of 4.5 M sf and has strengthened our reputation as one of the largest office landlords in Noida. The acquisition was partially funded by a ₹9.5 B preferential issue, to institutional investors including to certain members of Brookfield Group. This is a testament of our high-quality portfolio and positive business outlook.

Leasing and collection status

Post-acquisition of Candor TechSpace N2, our total leasable area has increased by 32% to 18.6 M sf. Gross leasing in FY2022 was 1.6 M sf (including N2 for the full year) of which 1.2 M sf were new leases and 0.4 M sf were renewals. The average re-leasing spread achieved during the year was 11%. As of March 31, 2022, Brookfield India REIT's total leased area was 11.6 M sf (including 2.9 M sf of Candor TechSpace N2). Further, 0.3 M sf of future expansion options have already been signed and another 1.5 M sf of area is under leasing discussions.

Our Portfolio maintained strong rental collections of 99%+ for FY2022, in line with the rate for FY2021. The average rental escalation was 9% on 2.8 M sf of leasable area (including Candor TechSpace N2 for the full year) during FY2022 as per contractual terms.

COLLECTIONS

99.6%

OPERATING LEASE RENTALS COLLECTED

8.7%

AVG ESCALATION ON 2.8 M SF OF LEASABLE AREA

GROSS LEASING

1.6 M sf

11%*

AVERAGE RE-LEASING SPREAD

Tenant profile

Our office parks primarily serve marquee tenants who find them ideal for conducting business efficiently and ensuring higher satisfaction among employees. In FY2022, our office parks attracted 8 new tenants including marquee ones like Samsung, Legato and Ergo. As of March 31, 2022, Brookfield India REIT's portfolio comprised 134 multi-sectoral tenants. Of the leased area, 51% was occupied by technology companies, 18% by consulting companies, 11% by financial services companies, 6% by hardware companies, 5% by healthcare companies and 9% by others. 41% of the leased area is occupied by Fortune 500 companies. Also, the percentage of area occupied by MNCs is 78% of the leased area. Top 10 tenants accounted for 61% Gross Contracted Rental.

The addition of Candor TechSpace N2 to our portfolio has diversified our tenant base and enhanced our Effective Economic Occupancy by c.400 basis points to 87%.

*Re-leasing spread calculated only on office areas

Top 10 tenants by Gross Contracted Rental

15% ACCENTURE SOLUTIONS PVT. LTD.	15% TATA CONSULTANCY SERVICES LIMITED	10% COGNIZANT TECHNOLOGY SOLUTIONS INDIA PVT. LTD.
6% TLG INDIA PVT. LTD.	3% RBS SERVICES INDIA PVT. LTD.	3% GENPACT INDIA PRIVATE LIMITED
3% LEGATO HEALTH TECHNOLOGIES LLP	3% SAMSUNG INDIA ELECTRONICS PRIVATE LIMITED	2% BARCLAYS GLOBAL SERVICE CENTRE PRIVATE LIMITED
	2% AMDOCS DEVELOPMENT CENTRE INDIA LLP	

Key Operational Developments at properties

Brookfield India REIT is focused on continuously enhancing value proposition to the tenants through investments in upgrading premises and introducing better amenities.

In FY2022, we undertook several efforts towards this. We completed and received the occupancy certificate for the new amenity block of 80,000 sf in Candor TechSpace N1. Construction of 673,000 sf of IGBC Platinum rated Tower 11 in Candor TechSpace N2 has also been completed and occupancy certificate for Candor TechSpace N2 Tower 11A was received on May 30, 2022.

In addition to the above, we are undertaking various asset upgrade and tenant improvement initiatives across campuses. In Candor TechSpace K1, we have completed a new health center and food court and in Candor TechSpace N1, we have completed a new amphitheater and landscaping. We continue to work towards upgrades of the podium, lobbies, façade and canopy at Kensington as well as upgrades of gyms in Candor TechSpace G2 and Candor TechSpace N1.

Further, we have ₹3,107 M of capex projects underway. This includes ₹801 M for Asset Upgrades/ Tenant Improvements across our asset SPVs and ₹2,306 M towards new/ongoing developments at Candor TechSpace N2 and K1.

FACTORS AFFECTING BROOKFIELD'S ACTIVITIES, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We face certain risks and challenges of both internal and external relevance. These have potential to adversely impact our business, performance and financial conditions. At Brookfield India REIT, we are actively tracking these risks and challenges as well as undertaking actions to mitigate them. In this context, please also refer to the "Risk Factors" section of this report on page 131 to 134.

General macroeconomic scenario especially in our operational markets

Office leasing activity is correlated to overall economic condition of India. A thriving economy ensures higher domestic output, exports and drives growth of corporates, prompting them to hire more employees and switch to a better office. Weaker markets would lead to cost cutting and lower commercial real estate demand. Factors like market sentiments, liquidity and interest costs, income and demographic conditions, employment levels, regulatory policies and regulatory changes have a bearing on the supply and demand of commercial real estate. An adverse economic scenario especially in our Portfolio markets of Gurugram, Noida, Kolkata and Mumbai can significantly impact REIT operations.

In FY2021, the economy and thus the commercial real estate was greatly impacted by COVID-19. However, with lifting up of restrictions, vaccinations and subsiding cases, both have strongly rebounded and leasing activity has gained traction from the second half of FY2022.

We further rely on certain micro-markets and industry sectors for our revenues. A large portion of Brookfield India REIT's revenues is reliant on Candor Kolkata which owns Candor TechSpace G2 in Gurugram North micro market and Candor TechSpace K1 in Kolkata, East micro market. In FY2022, Candor TechSpace G2 accounted for 36.8% (42.4% in FY2021) of our combined revenue from operations and Candor TechSpace K1 accounted for 23.0% (24.3% in FY2021). In terms of tenant profile, as of March 31, 2022, 51% of the total leasable area was leased to tenants in the technology sector, 18% to tenants in the consulting sector and 11% to tenants in the financial services sector.

Therefore, any developments that may adversely affect the demand for commercial real estate in our micro-market or sectors on which we rely may impact our business activities.

The Portfolio of Brookfield India REIT include high-quality assets with best-in-class amenities, location advantage and infrastructure making it highly demanded. Our Manager is focused on continuously adding more high-quality assets to grow and diversify the Portfolio. The acquisition of Candor TechSpace N2 in FY2022 has provided diversification in terms of tenant sectoral profile.

Ability to grow Leasable Area of the Portfolio

The growth of our operating lease rentals is dependent on our ability to increase leasing area by developing vacant space in the Portfolio assets as well as undertaking meaningful upgrades to enhance the value proposition to tenants.

Our Manager undertakes detailed analysis of demand-supply dynamics, absorption rate and rentals in each micro-market. Accordingly, development is undertaken at the most opportune moment when demand is favorable. In FY2022, the Manager committed a capex various upgrades and developments. This included developing an 80,000 sf amenity block (completed) in Candor TechSpace N1, a 0.5 M sf mixed-use development in Candor TechSpace K1 (expected to complete in Q1 FY2026) and a 0.2 M sf new tower in Candor TechSpace N2 (occupancy certificate for Tower 11A was received on May 30, 2022). Further, a capex of ₹801 M has been committed towards various asset upgrade/tenant improvement programs across all assets.

The Portfolio of Brookfield India REIT include high-quality assets with best-in-class amenities, location advantage and infrastructure making it highly demanded.

As of March 31, 2022, Brookfield India REIT's Portfolio comprised 4.6 M sf of Under Construction Area and Future Development Potential.

Targeting right inorganic opportunities to grow Leasable Area

Our ability to enhance distribution to the Unitholders is dependent on continually increasing leasable area through acquisition of high-quality, income accretive assets. Our Manager undertakes the responsibility of evaluating and acquiring potential opportunities. This includes 3.7 M sf of Identified Asset (of similar quality and grade to the existing Portfolio) for which Brookfield India REIT has a right to acquire.

Additionally, as per agreed terms set out under definitive agreements Brookfield India REIT has a right of first offer (ROFO) on Brookfield Group's 100% owned Properties comprising 6.7 M sf in Mumbai. The Sponsor Group has intimated us that they have initiated a carve-out of the rent-generating assets totaling 2.7 M sf in Powai Business District.

In FY2022, Brookfield India REIT in line with its strategy of growing high-quality assets, acquired the Identified Asset Candor TechSpace N2 in Noida having an area of 4.5 M sf.

Pipeline of potential acquisition asset

IDENTIFIED ASSET

3.7 M sf
TOTAL AREA

3.7 M sf
OPERATING AREA

ROFO PROPERTIES

6.7 M sf
TOTAL AREA

4.3 M sf
OPERATING AREA

Growth in rental rates

Operating lease rentals and maintenance services at Properties are our primary source of revenue. It is therefore critical that we enter new leasing or re-leasing agreements at acceptable rental rates. This is dependent on factors like the location, demand-supply dynamics, competitive pricing pressures, regulatory policies on zoning and land use as well as the quality, infrastructure and maintenance of Properties and providing services that meet the requirements of existing and prospective tenants.

Our Manager enters into rental agreements as leases expire or terminate to ensure high risk-adjusted income. Rental rates for offices, bank branches, ATMs, retail stores and telecom towers in the premises are generally fixed with periodic escalations through lease tenure. Food and beverage outlets are generally charged on a revenue sharing basis. We also have sectoral prominent tenants occupying multiple floors in large buildings for long durations. Re-lease or renewal of such large leases may have a disproportionate impact on rental rates in a given period.

As we step out of the pandemic, we expect rentals to remain robust. We have seen that recent leasing in FY2022 was done at an 11% re-leasing spread. The bulk of this leasing was achieved in assets with lower MTM potential like Candor TechSpace K1 and Candor TechSpace N1. In FY2023, we have a larger share of expiries in asset with higher MTM potential. Therefore, the rental upside in FY2023 should be higher.

₹62.7 per sf per month

IN-PLACE RENT

19%

MTM OPPORTUNITY

Terms of lease and occupancy rate

The stability and results of our operations are determined by long-term lease agreements and higher Committed Occupancy level. These are driven by factors like demand-supply dynamics in our micro markets, the comparative rental rates, attractiveness and infrastructure of our office parks and the ability to quickly re-lease space or enter into new leases.

The Asset SPVs of Brookfield India REIT typically enter into long-term lease agreements with tenants ranging between five years to fifteen years – three to five years of initial commitment and subsequent renewal option. This ensures sustained and stable cash flow visibility.

Further, our Manager has deep relations with tenants led by our property management and local expertise. This combined with Brookfield's global institutional relationships, has enabled us to maintain a high tenant retention rate with tenants. Our Manager continues to strengthen such relationships with tenants through proactive communications regarding their needs and requirements, and undertaking engagement activities such as celebrating festivals, organizing sports tournaments and entertainment events, health awareness seminars and quiz contests. These have also helped attract new tenants.

As of March 31, 2022, our Portfolio had a Committed Occupancy of 83% and a WALE of 7.1 years. The expiry profile has also significantly improved with reduction in Cumulative Expiry (% of Rentals) until FY2025 from 44% in FY2021 to 29% in FY2022 primarily due to the addition of Candor TechSpace N2 and realization of expiries during FY2022.

Committed Occupancy, WALE and Lease Maturity Profile (as of March 31, 2022)

Particulars		Kensington	Candor TechSpace G2	Candor TechSpace N1	Candor TechSpace N2	Candor TechSpace K1	Brookfield India REIT
Committed Occupancy (%)		90	83	77	80	84	83
WALE (years)		2.1	8.1	7.0	8.2	7.5	7.1
Lease maturity profile – area expiring (M sf)							
Year	2023	0.5	0.2	0.1	0.1	0.2	1.0
	2024	0.7	0.0	0.2	0.1	0.0	1.0
	2025	0.1	0.2	0.3	0.1	0.0	0.7
	2026	0.0	0.2	0.0	0.3	0.4	1.1

Cost of financing and capital structure

We incur capital expenditure towards maintaining and upgrading the assets as well as for acquiring new assets. While we have entered into financing agreements for all the ongoing development projects in our Portfolio, we may require additional capital to complete the development of the future projects and acquisitions.

Our simple capital structure and ability to raise and maintain low-cost debt supported by CRISIL AAA rating enables us to deliver positive operational results and higher returns to Unitholders. In FY2022, our finance costs were ₹2,080.69 M, accounting for 23.1% of our total income.

Regulatory framework

Our ability to deliver positive operational results are determined by a favorable regulatory regime and our compliance to it. We are governed by the laws of Indian real estate sector which is regulated by various governmental authorities and the REIT regulations governed by SEBI.

Our Manager by virtue of its experience in the Indian real estate industry and significant devotion of time and resources ensure compliance to the real estate regulations. This includes regulations on acquisition of land and land usage, floor area ratio, access to infrastructure (road, water, electricity, community facilities, open spaces, sewage disposal system) and environmental suitability. The Manager also ensures compliance with REIT requirements relating to maintaining a specific threshold of investment in rent or income generating properties.

Our Kensington office park is required to follow all compliance relating to its registration as a private IT Park on SEZ land with the Directorate of Industries, Mumbai. Further, Kensington, Candor TechSpace G2, Candor TechSpace N2 and most portion of Candor TechSpace K1 are notified as SEZs and are required to comply with SEZ-related rules and regulations. These assets are also entitled to certain tax benefits and drive positive results of operations.

Competitive operating landscape

Our Properties face competition from Grade A office premises. Increased availability of such premises along with better rent, location, services and amenities could result in price and supply volatility which may affect our ability to lease. Further, sustained new launches from market participants could saturate the market.

Our Properties are located in key markets of Mumbai, Noida, Gurugram and Kolkata where demand for such properties is high, especially from technology players who have entrenched presence here. Besides, our Manager continues to maintain good condition of and upgrade these Properties along with providing vast range of amenities and organizing events, making them an ideal destination. This is evident in our Properties accounting for over 50% share of net office space absorption in their micro-markets over the last five years.

Operating and maintenance (O&M) expenses

Optimal level of O&M expenses enables us to achieve higher net distributable cash flows and thus higher returns to Unitholders. These expenses are incurred towards repair and maintenance (of buildings, common areas, machinery and others), power and fuel, property management, housekeeping and security services. Factors like low asset occupancy levels, high fuel prices and general cost inflation, periodic renovation, refurbishment and costs related to re-leasing among others have potential to impact our ability to control these expenses.

Our Manager ensures that all maintenance service agreements with tenants are structured as cost plus contracts. The tenants are billed on the actual costs incurred towards maintenance by Asset SPVs along with a markup as per contract. At our Candor Asset SPVs, the property management, facilities management and support services are provided by CIOP for a maintenance fee based on a per sf basis as per the contract between the entities.

In FY2022, the common area maintenance and other direct expenses declined by 9.33% due to the mid-year termination of CIOP's operating services arrangement with Identified Assets and due to new vacancies, positive impact of true up in FY2021 and decrease in common area maintenance expenses (cost-plus contracts).

OUTLOOK

The CRE market is linked to the economic development of the nation. With the Indian economy headed for a strong

growth in the coming years, it is likely to remain buoyant. As per CW Research, the micro markets of Gurugram, Noida, Mumbai and Kolkata are likely to witness a scenario of demand outstripping supply over the next three years, thus providing occupancy gains to players. Average net absorptions in these micro markets during 2022-2024 is estimated at 4.3 M sf per year, surpassing the pre-COVID absorption. Further, the new supply in these micro-markets is estimated at 7% of the total 155 M sf office space supply in India during 2022-24, which is lower than the current share of the micro-markets at 13%.

The high-quality assets of Brookfield India REIT that have consistently (CY2017 to CY2021) accounted for over 50% of the total net absorption in these micro-markets and are well-positioned to gain from an uptick in demand.

We believe that we are positioned for a strong demand recovery as we step out of the pandemic. Occupiers are executing their back to office programs during the first half of FY2023, which will result in significant increase in physical occupancies across campuses.

Source: Cushman & Wakefield Industry Report FY2022

We believe that we are positioned for a strong demand recovery as we step out of the pandemic. Occupiers are executing their back to office programs during the first half of FY2023, which will result in significant increase in physical occupancies across campuses. As occupiers in the technology sector return to offices, they will need to accommodate the increase in headcount of 30-40% that has materialized over the last two years.

We are also likely to see to continued preference for Grade A institutional assets as the recovery pans out. Marquee occupiers will prefer to relocate and consolidate their operations in low density campuses with high quality of services from Grade B assets.

Further, there are several positive developments, these includes:

- Acquisition of Candor TechSpace N2, the largest office SEZ in Noida, in January 2022 which only contributed to the NOI and NDCF accretion in Q4 FY2022. As of March 31, 2022, it had a leased area of 2.9 M sf and another 1.6 M sf of leasable area (includes ongoing and future developments). The full year impact of this asset would reflect in FY2023 with potential for further increasing the leased area.
- 2.8 M sf of leased area was renewed in FY2022 with an average rent escalation of 9%. The full year impact of this would be incurred in FY2023. Additionally, another 1.0 M sf of area is due for expiry in FY2023, the in-place rents of which are below-market prices and we expect to achieve re-leasing/renewal at higher rents.

- With an occupancy of 83% as of March 31, 2022, 2.4 M sf of our operating area is still vacant. The increased momentum in leasing activity as companies return to office is expected to drive new leasing deals.

Brookfield India REIT remains focused on consistently growing NOI and delivering returns to Unitholders through quarterly distributions. We would continue to maintain sharp focus on prudent capital allocation and balance sheet discipline as well as reducing our cost of debt. A pipeline of Identified Asset and ROFO assets of Brookfield Group provides headroom to enhance our asset base.

FINANCIAL OVERVIEW

Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements discussed hereunder comprise:

- Consolidated balance sheet and statement of net assets at fair value as on March 31, 2022
- Consolidated statements of profit and loss, cash flows, changes in Unitholders' equity and statement of total returns at fair value for the period April 1, 2021 to March 31, 2022
- Additional financial disclosures as required under the REIT Regulations

The Board of Directors of the Manager on behalf of Brookfield India REIT passed a resolution on May 18, 2022 for issuance of the Consolidated Financial Statements. They 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; the Ind AS to the extent not inconsistent with the REIT Regulations (presentation of unit capital as equity instead of compound instruments under Ind AS 32 – Financial Instruments: Presentation), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Financial Results of Brookfield India REIT

As the Consolidated Financial Statements for the year ended March 31, 2022 and Consolidated Financial Statements for the year ended March 31, 2021 have been prepared by consolidating the financial information of different Asset SPVs, CIOP and Brookfield India REIT for different periods, hence financial numbers as per both these financial statements are not comparable.

For better understanding and discussion, the comparison of certain key financial parameters for the Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 has been given for each Asset SPV and CIOP based on their individual statutory financial statements on following pages under the header "Discussion on the Key Financial Parameters".

Financial Results of Brookfield India REIT

Particulars	FY2022		FY2021 (July 17, 2020 to March 31, 2021)	
	₹ in M	% of Total Income	₹ in M	% of Total Income
Income and gains				
Revenue from operations	8,767.91	97.50	1,309.42	96.21
Other income	224.23	2.50	51.65	3.79
Total income	**8,992.14**	**100**	**1,361.07**	**100**
Expenses and losses				
Cost of material consumed	24.02	0.27	2.48	0.18
Employee benefits expenses	196.85	2.19	28.10	2.06
Finance costs	2,080.69	23.14	410.77	30.18
Depreciation and amortization expenses	2,084.77	23.18	316.75	23.27
Investment management fee	81.21	0.90	0	0
Valuation expenses	11.60	0.13	5.78	0.42
Trustee fees	2.95	0.03	2.21	0.16
Other expenses	2,268.06	25.42	445.55	32.74
Total expenses	**6,750.15**	**75.07**	**1,211.64**	**89.02**
Profit/(Loss) before income tax	**2,241.99**	**24.93**	**149.43**	**10.98**
Tax Expense				
Current tax				
- for current period	27.96	0.31	0.44	0.03
- for earlier years	(3.81)	(0.04)	18.89	1.39
Deferred tax charge/(credit)	(245.01)	(2.72)	(122.93)	(9.03)
Tax expense for the period	**(220.86)**	**2.46**	**(103.60)**	**(7.61)**
Profit/(Loss) for the period after income tax	**2,462.85**	**27.39**	**253.03**	**18.59**
Other comprehensive income				
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	
Other comprehensive income for the period, net of tax	0.99		(0.28)	
Total comprehensive income/(loss) for the period	**2,463.84**	**27.40**	**252.75**	**18.57**

Principal Components of Consolidated Statement of Profit and Loss
Total Income

Total income comprises revenue from operations and other income.

(a) Revenue from operations

Revenue from operations comprises income from operating lease rentals, income from maintenance services and sale of products (food and beverages and others). The revenue from operations in FY2022 was ₹8,767.91 M as against ₹1,309.42 M in period July 17, 2020 to March 31, 2021. Income from operating lease rentals accounted for most of revenues from operations at 73.86% followed by income from maintenance services at 25.81%.

Particulars	FY2022		FY2021 (July 17, 2020 to March 31, 2021)	
	₹ in M	% of total revenue from operations	₹ in M	% of total revenue from operations
Sale of Services				
Income from operating lease rentals	6,476.02	73.86	943.40	72.05
Income from maintenance services	2,263.32	25.81	362.88	27.71
	8,739.34	**99.67**	**1,306.28**	**99.76**
Sale of Products				
Sale of food and beverages	26.94	0.31	2.90	0.22
Others	1.63	0.02	0.24	0.02
Total revenue from Operations	**8,767.91**	**100**	**1,309.42**	**100.00**

Sale of services

- **Income from operating lease rentals:** It 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.

  In FY2022, income from operating lease rentals was ₹6,476.02 M as against ₹943.40 M in the period July 17, 2020 to March 31, 2021.

- **Income from maintenance services:** It comprises revenue received from tenants for the maintenance of common areas, including for security and housekeeping services. Lease agreements typically entail tenants being charged the cost of maintaining property as well as a margin on such maintenance costs.

  In FY2022, income from maintenance services was ₹2,263.32 M as against ₹362.88 M in the period July 17, 2020 to March 31, 2021.

Sale of products

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

In FY2022, total sale of products was ₹28.57 M as against ₹3.14 M in the period July 17, 2020 to March 31, 2021.

(b) Other income

Other income in FY2022 was ₹224.23 M as against ₹51.65 M in the period July 17, 2020 to March 31, 2021.

(₹ in M)

Particulars	FY2022	FY2021 (July 17, 2020 to March 31, 2021)
Interest income from financial assets at amortised cost		
Interest income on fixed deposit with banks	71.05	3.21
Other interest	28.38	2.49
Others		
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	-
Total	**224.23**	**51.65**

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

Total Expenses

Total expenses in FY2022 was ₹6,750.15 M as compared to ₹1,211.64 M in the period July 17, 2020 to March 31, 2021. Finance costs and depreciation and amortization expenses accounted for majority of the expenses at 61.72% of FY2022 total expenses.

Summary of total expenses

Particulars	FY2022		FY2021 (July 17, 2020 to March 31, 2021)	
	₹ in M	% of total revenue from operations	₹ in M	% of total revenue from operations
Cost of material consumed	24.02	0.36	2.48	0.20
Employee benefits expenses	196.85	2.92	28.10	2.32
Finance costs	2,080.69	30.83	410.77	33.90
Depreciation and amortization expenses	2,084.77	30.89	316.75	26.14
Investment management fee	81.21	1.19	-	-
Valuation expenses	11.60	0.17	5.78	0.48
Trustee fees	2.95	0.04	2.21	0.18
Other expenses	2,268.06	33.60	445.55	36.77
Total expenses	**6,750.15**	**100**	**1,211.64**	**100.00**

Total expenses comprise:

(i) **Cost of materials consumed:** It comprises the expenses incurred to reimburse contractors for the purchase of food and beverage items for onward sales to tenants.

(ii) **Employee benefits expenses:** It comprises salaries, wages and bonus, contribution to provident fund, gratuity expense and compensated absences. Employee benefit expenses for FY2022 was ₹196.85 M as against ₹28.10 M in the period July 17, 2020 to March 31, 2021.

(iii) **Finance costs:** It comprises interest and finance charges on financial liabilities at amortized cost such as interest on term loans, non-convertible bonds and lease liability. It also comprises borrowing costs for completed properties (capitalized in case property is under development).

Finance costs for FY2022 was ₹2,080.69 M as against ₹410.77 M in the period July 17, 2020 to March 31, 2021.

(iv) **Depreciation and amortization expenses:** It comprises the depreciation of property, plant and equipment and intangible assets and depreciation of investment property. It stood at ₹2,084.77 M in FY2022 as against ₹316.75 M in the period July 17, 2020 to March 31, 2021.

(v) **Other expenses:** It comprises power and fuel, repair and maintenance, legal and professional fees, property management fees, credit impaired, rates and taxes and miscellaneous expenses. It stood at ₹2,268.06 M in FY2022 as against ₹445.55 M in the period July 17, 2020 to March 31, 2021.

Tax Expense

Tax expense for FY2022 was ₹220.86 M as against ₹103.60 M in the period July 17, 2020 to March 31, 2021. It comprises current tax expenses and deferred tax charges or credits.

Profit/Loss for the period

There was a profit of ₹2,462.85 M in FY2022 as against ₹253.03 M in the period July 17, 2020 to March 31, 2021.

Items of Other Comprehensive Income

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

Liquidity, Cash Flows and Capital Resources

Liquidity is critical to maintaining ongoing operations. It underpins our ability to meet obligations like interest expense and principal repayment on outstanding debt, fund property development and maintenance, meet working capital requirements and make distributions to the Unitholders. It also determines our ability to fund growth opportunities in terms of acquiring new properties.

As of March 31, 2022, our cash and cash equivalents stood at ₹2,043.65 M as against ₹3,155.19 M as of March 31, 2021 supported by a strong cash flow generation of ₹6,059.20 M in FY2022. Cash and cash equivalents comprised balance with banks in current, deposit accounts and in escrow account.

We expect to meet our working capital and cash flow requirements for the next twelve months, primarily from cash flows from business operations, cash and bank balances, and short-term and long-term borrowing from banks, financial institutions, investors, or as may be permitted under the REIT Regulations.

Summary of the statement of cash flows

(₹ in M)

Particulars	FY2022	FY2021 (July 17, 2020 to March 31, 2021)
Net cash flows generated from operating activities	6,059.20	1,396.22
Net cash flow generated (used in) investing activities	(14,033.71)	(480.91)
Net cash flow generated from financing activities	6,674.40	1,462.58
Net increase in cash and cash equivalents	(1,300.11)	2,377.89
Cash and cash equivalents acquired due to asset acquisition	188.57	777.30
Cash and cash equivalents at the end of the period	2,043.65	3,155.19

Operating Activities

Net cash generated from operating activities was ₹6,059.20 M in FY2022 as against ₹1,396.22 M for the period July 17, 2020 to March 31, 2021.

Net cash generated from operating activities was ₹6,059.20 M in FY2022. Our profit before tax was ₹2,241.99 M, which was adjusted for non-cash and other items by a net amount of ₹3,894.79 M, primarily for finance cost of ₹2,080.69 M and depreciation and amortization expense of ₹2,084.77 M. The changes in working capital primarily comprised a decrease in current and non-current financial assets of ₹8.01 M, partially offset by a decrease in other current and non-current liabilities of ₹89.26 M. We also paid income tax (net of refunds) of ₹174.85 M.

Investing Activities

Net cash used in investing activities was ₹14,033.71 M in FY2022 as against ₹480.91 M for the period July 17, 2020 to March 31, 2021.

Net cash used in investing activities was ₹14,033.71 M in FY2022, primarily comprising payment for acquisition of SDPL Noida (for Candor TechSpace N2) ₹13,258.02and expenditure incurred on investment property of ₹873.33 M primarily incurred towards the construction of buildings for Candor Kolkata (for Candor TechSpace G2) and SPPL Noida (for Candor TechSpace N1) and SDPL Noida (for Candor TechSpace N2).

Financing Activities

Net cash generated from financing activities was ₹6,674.40 M in FY2022 as against ₹1,462.58 M for the period July 17, 2020 to March 31, 2021.

Net cash generated from financing activities was ₹6,674.40 M in FY2022, primarily comprising proceeds from issue of Units of ₹4,949.83 M and proceeds from long-term borrowings of ₹15,909.99 M which was partially offset by repayment of long-term borrowings of ₹5,627.38 M and finance cost paid of ₹2,152.60 M.

Planned capital expenditure

Our planned capital expenditure as of March 31, 2022 was ₹3,107 M as against ₹2,961 M as of March 31, 2021. This includes ₹2,207 M for the development of Candor TechSpace K1 mixed-use development, ₹99 M for Tower 11A development at Candor TechSpace N2 and ₹801 M towards the completion of asset upgrades/tenant improvements across our Asset SPVs.

Contingent liabilities

(₹ in M)

Particulars	FY2022	FY2021 (July 17, 2020 to March 31, 2021)
Claims against the special purpose vehicles not acknowledged as debt in respect of income tax matters	1,158.86	766.80
Claims against the special purpose vehicles not acknowledged as debt in respect of indirect tax	12.43	2.67
Total	**1,171.29**	**779.47**

Discussion on the Key Financial Parameters

As the financial information in Consolidated Financial Statements for the year ended March 31, 2022 and Consolidated Financial Statements for the period July 17, 2020 to March 31, 2021 are not comparable, the comparison of certain key financial parameters for the Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 has been given for each Asset SPVs and CIOP, based on their historical financial statements.

(a) Net Operating Income (NOI)

We use NOI internally as a performance measure as it provides useful information to investors regarding our financial condition and results of operations. We thus consider NOI as a meaningful supplemental financial measure of our performance when considered with the Consolidated Financial Statements determined in accordance with Ind AS. However, NOI does not have a standardized meaning, nor is it a recognized measure under Ind AS or International Financial Reporting Standards and may not be comparable with measures with similar names presented by other companies/real estate investment trusts. NOI should not be considered by itself or as a substitute for comparable measures under Ind AS or International Financial Reporting Standards or other measures of operating performance, liquidity or ability to pay dividends. Accordingly, there can be no assurance that our basis for computing this non-Ind AS measure is comparable with that of other companies/real estate investment trusts.

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

(₹ in M)

Property Name and Location	FY2022	% Operating Lease Rental	FY2021	% Operating Lease Rental
Kensington, Mumbai	1,258	88	1,333	91
Candor TechSpace G2, Gurugram	2,320	103	2,725	108
Candor TechSpace N1, Noida	783	107	803	112
Candor TechSpace N2, Noida	1,814	104	1,775	109
Candor TechSpace K1, Kolkata	1,406	103	1,480	106
CIOP	226	-	255	-
Intercompany eliminations				
Net Operating Income (NOI)	7,808	104	8,371	108
Less: amount attributable from Identified Assets	-		(52)	
Comparable Total	**7,808**	**104**	**8,319**	**108**

Net Operating Income for FY2022 decreased by 7% to ₹7,808 M as against ₹8,371 M in FY2021. The decrease is primarily on account of vacancies in office space offset by new leases - and contractual escalations. Further, maintenance revenue was lower due to decrease in operating expenses. Also, there was property management fees earned from Identified Assets for part of the year during FY2021 and there is no corresponding income in FY2022 due to termination of CIOPs operating service arrangement with Identified Assets during FY2021.

Property-wise/asset-wise income from operating lease rental

(₹ in M)

Particulars	FY2022	FY2021
Kensington, Mumbai	1,426	1,464
Candor TechSpace G2, Gurugram	2,255	2,518
Candor TechSpace N1, Noida	732	718
Candor TechSpace N2, Noida	1,742	1,633
Candor TechSpace K1, Kolkata	1,359	1,400
Total	**7,513**	**7,733**

Income from operating lease rentals decreased 3% to ₹7,513 M in FY2022 from ₹7,733 M in FY2021 primarily due to vacancies in office space offset by new leases and contractual escalations during the year.

Property-wise/asset-wise revenue from operations

(₹ in M)

Property Name and Location	FY2022	FY2021
Kensington, Mumbai	1,543	1,592
Candor TechSpace G2, Gurugram	3,183	3,657
Candor TechSpace N1, Noida	1,209	1,191
Candor TechSpace N2, Noida	2,467	2,440
Candor TechSpace K1, Kolkata	1,979	2,092
CIOP	362	420
Intercompany eliminations	(362)	(324)
Revenue from Operations	10,380	11,068
Less: amount attributable from Identified Assets	-	(96)
Comparable Total	10,380	10,972

Revenue from operations for FY2022 decreased 6% to ₹10,380 M from ₹11,068 M in FY2021. The decrease is primarily on account of vacancies in office space offset by new leases. Further, maintenance revenue is lower due to decrease in operating expenses. Also, there was property management fees earned from Identified Assets for part of the year during FY2021 and there is no corresponding income in FY2022 due to termination of CIOPs operating service arrangement with Identified Assets during mid of FY2021.

Management Fees and Distributions

Pursuant to the investment management agreement dated July 17, 2020, the Manager is entitled to a fee of 1% of Net Distributable Cash Flows (NDCF), exclusive of applicable taxes, for undertaking the management of Brookfield India REIT and its investments including the Portfolio. Total NDCF generated during FY2022 was ₹6,884.58 M. Consequently, management fees of ₹81.21 M has been accrued for the period ended March 31, 2022.

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

Preferential Issue

In FY2022, Brookfield India REIT successfully executed preferential issue to institutional investors. A total of 32.3 M units were issued at ₹294.25 per unit, a premium of 7% to IPO price, to raise ₹9.5 B to be funded for acquisition of new asset – Candor TechSpace N2. The issue was subscribed by reputed long-term institutional investors like members of the Brookfield Group, State Bank of India, HDFC Life Insurance Co. Limited and HDFC Ltd. which is a testament of our high-quality portfolio and positive business outlook.

Key ratios

Ratios	FY2022
Net debt to GAV	0.31
Interest service coverage ratio	3.08

Net Asset Value (NAV) and Valuation of Portfolio

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

(a) Net Debt to GAV = Net Debt/GAV. Net Debt = Term loans from financial institutions + Non-current lease liabilities + Current lease liabilities – cash and cash equivalents and GAV = Fair value of investment properties and investment properties under development.

(b) Interest service coverage ratio = earnings before depreciation, finance costs and taxes/finance costs (net of capitalization)

The Net asset value as of March 31, 2022 stood at ₹333.81 per unit pursuant to the fair valuation of the assets of Brookfield India REIT by the independent valuer and calculated on the net assets of ₹111,854.49 M as per audited Consolidated Financial Statements for the financial year ending March 31, 2022, as compared to the net asset value of ₹316.59 per unit based on audited Consolidated Financial Statements for the financial year ending March 31, 2021 calculated on the net assets at fair value as of March 31, 2021 of ₹95,864.03 M.

Net assets at fair value

(₹ in M)

Particulars	March 31, 2022		March 31, 2021	
	Book value	Fair value	Book value	Fair value
A. Assets	147,857.98	170,891.54	109,947.02	123,783.52
B. Liabilities	(59,037.05)	(59,037.05)	(27,919.49)	(27,919.49)
C. Net assets (A-B)	**88,820.93**	**111,854.49**	**82,027.53**	**95,864.03**
D. Number of Units (No.)	335,087,073	335,087,073	302,801,601	302,801,601
NAV per Unit (C/D) (₹ per unit)	**265.07**	**333.81**	**270.90**	**316.59**

Valuation technique (include frequency of valuation)

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

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

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

The fair value of investment property and investment property under development stood at ₹160,361.13 M as of March 31, 2022 as compared to ₹114,808 M as of March 31, 2021.

Project-wise break-up of fair value

(₹ in M)

Entity and Property name	March 31, 2022			March 31, 2021		
	Fair value of investment property and investment property under development	Other assets at book value	Total assets	Fair value of investment property and investment property under development	Other assets at book value	Total assets
Candor TechSpace K1, Kolkata (owner of Candor TechSpace K1 and Candor TechSpace G2)	70,806.53	3,776.76	74,583.29	69,195.00	4,390.41	73,585.41
SPPL Noida (owner of Candor TechSpace N1)	21,329.32	751.69	22,081.01	20,121.00	798.57	20,919.57
Festus (owner of Kensington)	27,258.00	1,972.85	29,230.85	25,492.00	1,909.55	27,401.55
CIOP	-	107.41	107.41	-	211.78	211.78
SDPL Noida (owner of Candor TechSpace N2)	40,967.28*	2,118.61	43,085.89	-	-	-
Brookfield India REIT	-	1,803.09	1,803.09	-	1,665.21	1,665.21
Total	**160,361.13**	**10,530.41**	**170,891.54**	**114,808.00**	**8,975.52**	**123,783.52**

* Includes ₹1,162.13 M of finance receivable relating to income support and corresponding amount has been reduced from other assets.

March 2022 Valuation Summary

Asset name and location	Leasable Area (M sf)			Market value (₹ in M)			
	Fair value of investment property and investment property under development	Under Construction Area	Future Development Potential	Completed Area	Under Construction Area/Future Development Potential	Total	Brookfield India REIT's ownership
PORTFOLIO							
Kensington, Powai, Mumbai	1.6	-	-	27,258	-	27,258	100%
Candor TechSpace G2, Gurugram	3.9	-	0.1	44,293	594	44,887	100%
Candor TechSpace N1, Noida	1.9	-	0.9	18,854	2,475	21,329	100%
Candor TechSpace N2, Noida	3.6	0.2	0.8	37,303	3,664	40,967	100%
Candor TechSpace K1, Kolkata	3.1	-	2.7	21,608	4,312	25,920	100%
Total	**14.1**	**0.2**	**4.5**	**149,316**	**11,045**	**160,361**	**-**

March 2021 Valuation Summary

Asset name and location	Leasable Area (M sf)			Market value (₹ in M)			
	Completed Area	Under Construction Area	Future Development Potential	Completed Area	Under Construction Area/Future Development Potential	Total	Brookfield India REIT's ownership
PORTFOLIO							
Kensington, Powai, Mumbai	1.5	-	-	25,492	-	25,492	100%
Candor TechSpace G2, Gurugram	3.9	-	0.1	43,072	561	43,633	100%
Candor TechSpace N1, Noida	1.9	0.1	0.9	16,902	3,218	20,121	100%
Candor TechSpace K1, Kolkata	3.1	-	2.7	21,242	4,321	25,562	100%
Total	**10.3**	**0.1**	**3.7**	**106,708**	**8,100**	**114,808**	**-**

RISK MANAGEMENT

The business paradigm is continuously shifting owing to changes in customer expectations, regulatory updates, and volatility in the economic environment. Our ability to create sustainable value in this environment is dependent on recognizing and effectively addressing key risks that impact the business. To facilitate this, the Board of Directors has overall responsibility of establishing the risk management framework and continuous monitoring of risk profile of Brookfield India REIT that can impact its ability to achieve its strategic objectives. A comprehensive risk management policy and framework has been established to identity and analyze the key business risks. The Company's risk management plan created through appropriate scenario analysis for a resilient business model is periodically reviewed and approved by the Audit Committee and acts as a supplement to the Internal Control Mechanism and Internal Audit function.

Brookfield India REIT has been prudent in pre-empting the potential risks, which can pose a challenge to the Company through its comprehensive risk management and mitigation strategy enabling it to withstand and navigate challenges.

Several management and leadership team members including Board of Directors periodically review the risk management policies and systems to incorporate any changes in the risk profile due to changes in the external environment and strategic priorities. The Board of Directors and the Audit Committee of the Manager is assisted by internal audit team in monitoring the risk profile and effectiveness of mitigation plans to manage the identified business risks. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

INTERNAL CONTROL SYSTEMS

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

The Company has a robust and well embedded system of internal controls. The Internal Audit function provides assurance to the Audit Committee regarding the adequacy and efficacy of internal controls, advises management on the changing risks and controls landscape and helps anticipate and mitigate emerging risks. The internal audit plan focuses on critical risks that matter and is aligned with the business objectives. Progress to plan and key findings are reviewed by the Audit Committee each quarter. Further, the Audit Committee also monitors the status of management actions following the internal audit reviews. The Company's focus continues to be on embedding technology like data analytics and mining for enabling continuous control monitoring in all internal audit work procedures.