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**