Management Discussion and Analysis

The activities, financial condition and results of operations in this discussion and analysis are based on the performance of Brookfield India REIT and companies owned by it and the audited Consolidated Financial Statements and audited Standalone Financial Statements of Brookfield India REIT for the financial year ended March 31, 2023. The financial numbers for the financial year ended March 31, 2023 and the previous financial year ended March 31, 2022 of Brookfield India REIT are subject to the following:

- Standalone Financial Statements of Brookfield India REIT for the financial year ended March 31, 2023 and March 31, 2022 are from April 1, 2022 to March 31, 2023 and April 1, 2021 to March 31, 2022 respectively.
- Consolidated Financial Statements of Brookfield India REIT for the financial year ended March 31, 2023 are prepared by consolidating the Asset SPVs and CIOP from April 1, 2022 to March 31, 2023 and Consolidated Financial Statements of Brookfield India REIT for the financial year ended March 31, 2022 are prepared by consolidating the Asset SPVs (except SDPL Noida) and CIOP from April 1, 2021 to March 31, 2022 and SDPL Noida from January 24, 2022 as it was acquired by Brookfield India REIT on January 24, 2022.

The financial and operational information for the financial year ended March 31, 2023 and March 31, 2022 are presented to provide only general information of Brookfield India REIT's performance based on certain key

WE BELIEVE THAT OUR OFFICE PARKS ARE AMONGST THE HIGHEST QUALITY ONES IN INDIA, PROVIDING A COMPLETE ECOSYSTEM AND GROWTH-CENTRIC ENVIRONMENT TO MULTINATIONAL CORPORATES AND TECHNOLOGY COMPANIES.

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 considered in such forward-looking statements as they involve known and unknown risks, uncertainties and changes beyond our control. These factors include 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 first 100% institutionally managed real estate investment trust owning and operating Grade A office space. As of March 31, 2023, 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 18.7M sf, comprising 14.3M sf of Operating Area, 0.6M sf of Under Construction Area and 3.9M sf of Future Development Potential as on March 31, 2023. Deriving 94% of their value from operational buildings, these stabilized assets have an Effective Economic Occupancy of 89% and a WALE of 7.9 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 and growth-centric environment to multinational corporates and technology companies. Our office parks are distinguished by their size and scale, accessibility to mass transportation, high entry barriers for new supply and robust rental growth rates.

Key operating metrics of the properties as on March 31, 2023

Asset	Area M sf			Leased Area					
	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, Downtown Powai, Mumbai	1.6 (1.6)	- (-)	1.6 (1.6)	1.4 (1.4)	7 (8)	87 (90)	11.5 (2.1)	104 (98)	24 (27)
Candor TechSpace G2, Gurugram	3.9 (3.9)	0.1 (0.1)	4.0 (4.0)	3.3 (3.2)	15 (14)	85 (83)	7.7 (8.1)	83 (79)	45 (45)
Candor TechSpace N1, Noida	2.0 (1.9)	0.9 (0.9)	2.8 (2.8)	1.9 (1.5)	28 (23)	96 (77)	7.3 (7.0)	49 (48)	24 (21)
Candor TechSpace N2, Noida	3.8 (3.6)	0.8 (0.9)	4.5 (4.5)	2.9 (2.9)	22 (21)	77 (80)	7.4 (8.2)	56 (53)	43 (41)
Candor TechSpace K1, Kolkata	3.1 (3.1)	2.7 (2.7)	5.7 (5.7)	2.6 (2.6)	13 (14)	84 (84)	7.1 (7.5)	43 (42)	27 (26)
Consolidated REIT	**14.3**	**4.4**	**18.7**	**12.0**	**75^**	**84**	**7.9**	**65**	**164**

**Figures in bracket correspond to the previous year March 31, 2022*
^Multiple tenants are present across more than one office park

Our approach to deliver sustained risk-adjusted returns to Unitholders

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

Achieved through →

- Proactively managing the portfolio led by an experienced management team
- Maintaining a prudent capital structure
- Following a globally benchmarked corporate governance framework
- Leveraging Brookfield Group's global expertise, relationships and experience of managing similar public market vehicles

ECONOMY AND INDUSTRY OVERVIEW

Indian Macro-economy Review

According to the Economic Survey – 2023, after posting a growth of -6.6% in FY 2020-21 and rebounding strongly to deliver an 8.7% increase in GDP (at constant prices) in FY 2021-22, the economy is expected to grow at a robust 7% (in real terms) for the year ending March 2023.

The Survey revealed that India's economic growth in FY 2022-23 was driven by private consumption and capital formation and these two factors helped generate employment.

Another positive trend that the Economic Survey highlighted was the robust recovery in the service industry, which is also visible in people spending on contact-based services such as restaurants, hotels, shopping malls and cinemas. This reflects the fact that consumers have moved past the fear of contagion. It also pointed out that migrant workers have returned to cities to work at construction sites, further endorsing the trend that the pandemic is behind us.

All this has led to a considerable decline in housing market inventory and stronger corporate balance sheets. Better capitalization of public sector banks has resulted in an increase in the credit supply and better credit flows to MSMEs and individuals.

The Survey cautions that although the rupee is performing better than most other currencies, it still faces the challenge of depreciation, with the likelihood of further increases in policy rates by the US Fed. The widening of the current account deficit may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus may occur due to the slowdown in global growth and shrinking trade, which reduces the overall market size in the latter half of the current year.

Looking ahead, the survey projects a baseline GDP growth of 6.5% in real terms in FY2024. The projection is broadly comparable to the estimates provided by multilateral agencies such as the World Bank, the IMF, the ABD, and by the RBI domestically. The actual outcome for real GDP growth will probably lie in the range of 6.0% to 6.8%, depending on the trajectory of economic and political developments globally.

INDIAN OFFICE MARKETS – KEY STATISTICS*

India's office real estate milieu has changed significantly from single standalone buildings with no amenities to large corporate parks with focused amenities. The focus of developers on Grade A office developments, backed by institutional investors and increasing demand from multinational tenants, led to the onset of campus developments.

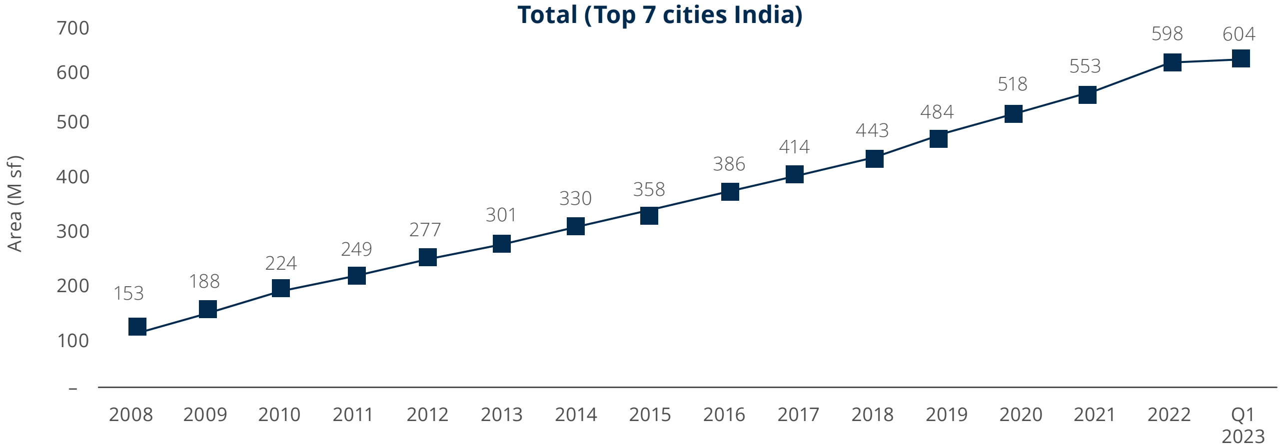
These campus developments vis-à-vis standalone buildings provide added benefits to tenants, such as cafeterias, conference room facilities, gymnasium, multi-purpose sports courts, pick up and drop facilities from various points, etc. These developments also have heightened security with multiple check points, CCTV cameras, automated car parking, etc.

Hence, the rentals of campus developments command a premium in the range of 20-30% from the standalone buildings within the same micro market. Vacancies for such buildings are relatively lesser as the multinational tenants prefer these developments due to the added facilities provided for the employees. Campus developments also provide the flexibility and scalability option to its tenants. The tenant thereby can avail the synergies of being within the same integrated park and hence is also willing to pay a premium.

The Grade A office stock depicted below has shown a CAGR of approximately 10.10% in the time period 2008–Q1 2023. The individual CAGRs witnessed by the top seven cities in the period 2008–Q1 2023 have been in the range of 7.26-14.90%. The highest CAGR is witnessed by Hyderabad, viz., 14.90%.

The evolution of the total relevant stock distribution across the top 7 cities in India are depicted below:

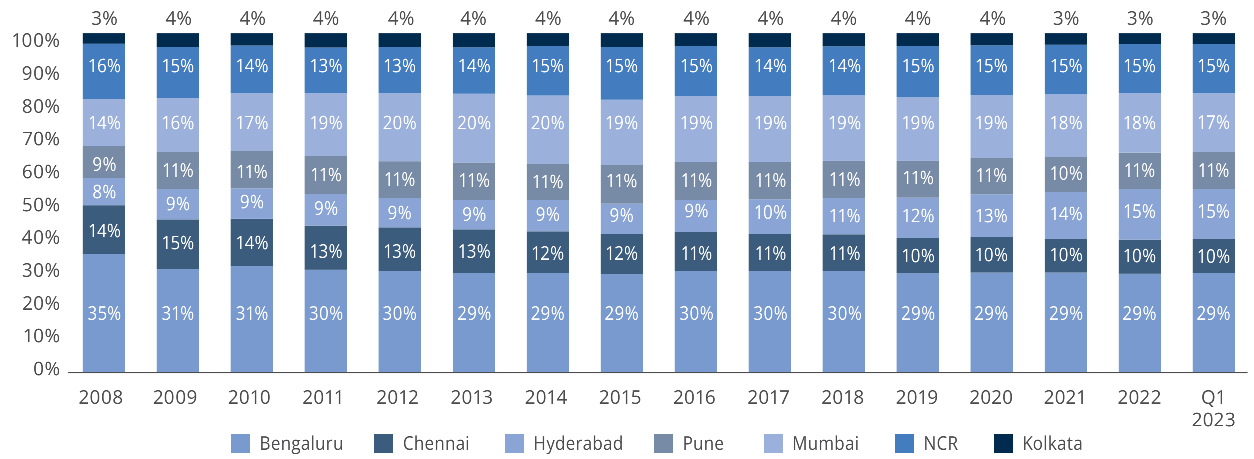
Total (Top 7 cities India)



Source: Cushman & Wakefield Research

Note: For NCR & Kolkata, the relevant supply has been considered for this analysis excluding the buildings less than 1 lakh sf and applying certain other criteria. Additionally, for Noida within Delhi NCR & Kolkata, non-IT buildings have been excluded from supply.

Distribution of Stock across top 7 cities



Source: Cushman & Wakefield Research

Note: For Delhi NCR & Kolkata, the relevant supply has been considered for this analysis excluding the buildings less than 1 lakh sf and applying certain other criteria. Additionally, for Noida within Delhi NCR & Kolkata, non-IT buildings have been excluded from supply.

Cushman & Wakefield Research

The above graph demonstrates that Bengaluru, Mumbai, Delhi NCR and Hyderabad have been seeing the largest share of office stock in India since 2008. The share of Hyderabad has gradually increased from 8% (in 2008) to 15% (in Q1 2023). Mumbai and Pune have also seen an increasing trend in their percentage contributions to total stock over the same period. The combined stock of Mumbai, Bengaluru and Delhi NCR has consistently been over 61% of the entire stock presented in the previous chart since 2008. Moreover, Kolkata, although contributing less than 5% in the annual stock of top seven cities, has retained investor interest over the years owing to its unique positioning as the gateway to East India.

The office business in India is driven by access to cost-effective, skilled labor at notable scale. This demographic trend is early stage and is not materially impacted by short-term fluctuations in GDP growth projections, the near-term outlook of the domestic banking sector, etc.

Since 2015, the total Grade A office stock in the top seven markets has grown by a CAGR of ~7.48% from approximately 358M sf in 2015 to approximately 604M sf in Q1 2023.

Prominent Trends in India Office Market

Changing Profile of Tenants – The scope of work of technology occupiers and GCCs has seen an improvement over the past years. The tenants have moved from low-end support work to high-value work such as analytics, artificial intelligence, etc. 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 court, gymnasium, retail facilities, etc. Additionally, large-scale organized market-level infrastructure will be the key differentiator when leading tenants select markets going forward.

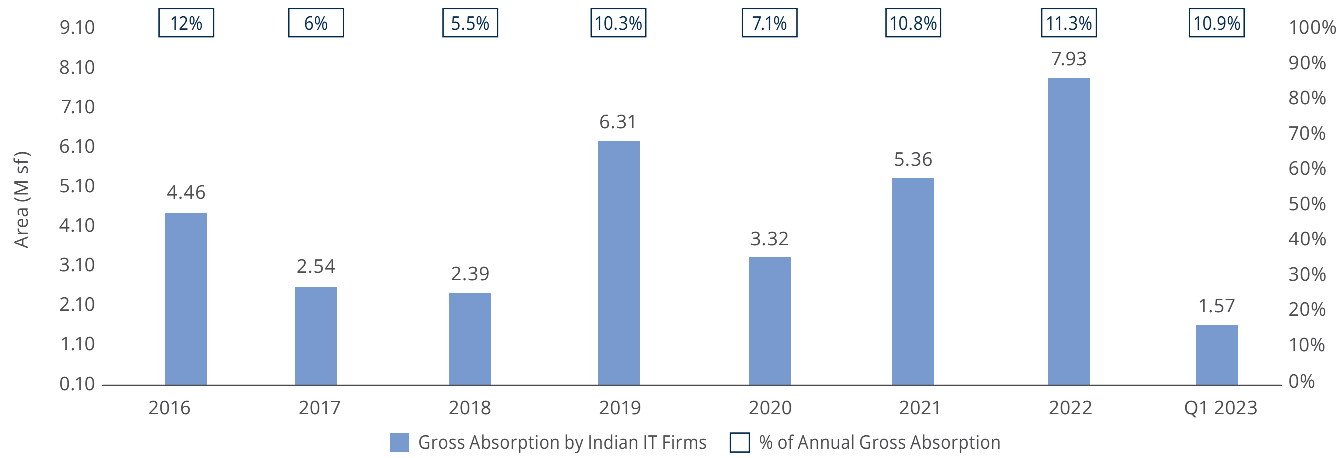
Consolidation and Expansion Strategies – Companies in India especially GCCs, have started consolidating and expanding their offices to suburban/peripheral locations due to multiple driving factors. Some of these factors include improving operational efficiency, synergies due to consolidation in one integrated park, lower costs through economies of scale, etc. These tenants also prefer consolidation in the parks that are established by organized developers due to the large scale of the assets and the future development potential in the existing parks.

Organized Office Developers – India's office real estate domain 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 the corresponding increase in capital requirement, favor large, organized office players with well-funded balance sheets.

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 that are in line with the current and potential demand of these tenants.

Increasing demand from Indian origin IT service companies – The gross absorption for office space from Indian origin IT firms has increased from 2.54M sf in 2017 to 7.93M sf in 2022 due to the rise in annual employee addition and higher adoption of asset-light leasing office space as against capital-intensive office ownership. Q1 2023 has already witnessed gross absorption of 1.57M sf.

Rising annual gross absorption from Indian IT Firms



KEY DEMAND DRIVERS FOR GRADE A OFFICE PARKS[1]

The demand for office space in the nation is driven by reasons such as flexibility, comfort and convenience. Most businesses in various industries, including IT, manufacturing, BFSI, startups and even boutique businesses, are looking for office space to accommodate their employees. Additionally, many companies intend to expand to new areas, open remote or satellite offices, or both, adding to the demand for these spaces. 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.

Technology development has elevated commercial real estate to a new level. It is now feasible to offer virtual property tours, improve customer relationship management, conduct online transactions and improve communication between the seller and the buyer, thanks to cutting-edge technologies like artificial intelligence, virtual reality, data analytics and others.

Looking ahead, a Cushman & Wakefield Industry report – 2023 emphasizes that the commercial real estate space is set to benefit from key sectors that will drive demand. It states that India's office market has witnessed a strong growth momentum due to positive performances of tech and innovation hubs and the expansion plans of BSFI players. The availability of skilled talent is also a strong demand driver in the market. Commercial real estate is expected to gain a strong impetus from the following sectors:

Information Technology: The Indian IT industry is the most diverse technological ecosystem in the world. FY2023 is poised to be another growth year with robust business demand. As part of The India's dream of becoming a $1T digital economy, IT industry is expected to grow between $350B to $400B by FY2026 from $245B in FY2023E.

Indian IT's core competencies and strengths have attracted significant investment from major countries and companies. As the technology sector contributes a major share to India's GDP, the current investment trends on technology and tech start-ups and recent developments relating to the rise of AI and blockchain technology, coupled with positive policy and budgetary support from the government for the sector, point to a positive outlook on growth of the technology industry and in turn the requirement for office spaces will increase.

Further, increased penetration of the cloud management, storage networks, security and back-up services along with SaaS is expected to further boost the demand for real estate sector, as the sensitivity of the data would warrant for an office presence.

Global Capability Centres (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 key destination for MNCs for setting up GCCs. Significant growth was seen in the last five to six years. Indian cities are amongst the most competitive Grade A office destinations with modern amenities at relatively lower rates as compared with cities in other countries for setting up GCCs, which compliments the talent availability and a robust digital ecosystem. As per the Cushman & Wakefield Industry Report, in Q4, CY2022, Delhi NCR has witnessed higher GCC activity led by engineering and manufacturing firms and Mumbai does well in terms of healthcare focused GCCs given the city's varied talent pool and a pharma R&D services ecosystem. 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, as in both the micro markets, Brookfield India REIT has a significant presence.

Fintech: India has 6,636 Fintech start-ups and is amongst the fastest growing Fintech markets in the world. Post COVID-19, the contribution of the 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 startups presents the remarkable growth story for India office space. The government's push towards digitization and the ease of doing business has created a massive opportunity for the startup ecosystem. The sector have attracted the interest of investors, which in turn is boosting the segment to scale up and is creating enormous demand for the office space.

Financial Services: The financial services 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.

e-Commerce: As the D2C market takes off, it is expected to give rise to a large expansion in offline outlets too. With the 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 infrastructure is also expected to increase proportionately.

[1] *Cushman and Wakefield Industry Report*

PERFORMANCE REVIEW FY2023

Brookfield India REIT performance

FY2023 was marked by increased leasing activity among corporates as they accelerated their back-to-office plans alongside looking to accommodate a larger workforce and a stronger core business. With the COVID-led disruption largely behind us, there has been an surge in footfalls at offices as corporates continue with their clarion call to employees to be physically present in the office at least a few days a week, if not all. Corporates continue to lease space in Grade A assets to serve as the foundation for their efforts to supercharge growth post-COVID.

Brookfield India REIT has been a key beneficiary of this demand revival, witnessing strong leasing momentum backed by the high quality of our office parks. We have achieved the highest ever gross leasing since IPO at 2.1M sf and inked agreements with several marquee tenants such as TCS, Accenture, Capgemini, Aristocrat and LTI Mindtree. We expect to see continued leasing momentum with the return to office strategies for our tenants playing out with a vengeance.

Having successfully consummated the acquisition of Candor TechSpace N2, Noida in FY2022 and we are continuing to deliver on our inorganic growth strategy, and have announced the proposed acquisition of high-quality and income accretive assets in Downtown Powai and Candor TechSpace G1, Gurugram. This acquisition, subject to Unitholder approval, of high-quality 6.5M sf offices, will significantly increase the scale of Brookfield India REIT, while diversifying our tenant and geographic profile. This acquisition is also the beginning of our long-term partnership with GIC, a global institutional investor with an over 25 years investment track record in India. We expect this strategic partnership to be extremely beneficial to our Unitholders.

Leasing updates

Gross leasing of 2.1M sf achieved in FY2023, including 0.9M sf of new leasing and 1.3M sf of renewals, is the highest-ever leasing achieved since IPO. The average re-leasing spread achieved during the year was 24%. As of March 31, 2023, Brookfield India REIT's total leased area was 12.0M sf.

We signed some marquee deals during FY2023 across our assets, a reflection of the leasing demand we are witnessing across geographies. Some of the key renewal deals included the renewal of 0.9M sf with TCS at Kensington, Downtown Powai, Mumbai; 0.1M sf with British Telecom at Candor TechSpace G2, Gurugram; and 0.1M sf with Mercer at Candor TechSpace N2, Noida. We signed new leases of 0.1M sf each with Aristocrat at Candor TechSpace N2, Noida, Accenture at Candor TechSpace G2, Gurugram; Baker Hughes at Kensington, Downtown Powai, Mumbai; LTI Mindtree at Candor TechSpace N1, Noida; and Capgemini at Candor TechSpace K1, Kolkata.

Kensington, Downtown Powai, Mumbai

- 0.9M sf renewal
- 15 year lease term
- 5 year lock-in
- Renewal spread of ~35%

Candor TechSpace N2, Noida

- 0.1M sf new lease
- 15 year lease term
- 4 year lock-in
- Rentals ~15% higher than Income Support rent

We also achieved strong organic growth with average rental escalation of 11% garnered on 4.1M sf during FY2023, as per contractual terms.

Tenant profile

Our office parks primarily serve marquee tenants who find them ideal for conducting business efficiently and ensuring higher satisfaction among employees. In FY2023, our office parks attracted 7 new office tenants including marquee ones like Aristocrat, LTI Mindtree and McGraw Hill. As of March 31, 2023, Brookfield India REIT's portfolio comprises 148 multi-sectoral tenants. Of the gross contracted rentals, 46% was contracted with technology companies, 20% with consulting companies, 12% with financial services companies, 5% with healthcare companies, 4% with hardware companies, 4% with telecom companies and 10% with others. 40% of the leased area is occupied by Fortune 500 companies. Also, the percentage of area occupied by MNCs is 79% of the leased area. Top 10 tenants accounted for 63% of the Gross Contracted Rental.

Top 10 tenants by Gross Contracted Rental

ACCENTURE SOLUTIONS PRIVATE LIMITED	16%
TATA CONSULTANCY SERVICES LIMITED	15%
COGNIZANT TECHNOLOGY SOLUTIONS INDIA PRIVATE LIMITED	10%
TLG INDIA PRIVATE LIMITED	6%
RBS SERVICES INDIA PRIVATE LIMITED	5%
SAMSUNG INDIA ELECTRONICS PRIVATE LIMITED	2%
GENPACT INDIA PRIVATE LIMITED	2%
BARCLAYS GLOBAL SERVICE CENTRE PRIVATE LIMITED	2%
AMDOCS DEVELOPMENT CENTRE INDIA LLP	2%
XAVIENT SOFTWARE SOLUTIONS INDIA PRIVATE LIMITED	2%

Key Operational Developments at properties

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

In FY2023, we completed and received the occupancy certificate for the 0.2M sf Tower 11A at Candor TechSpace N2, Noida, which was fully committed to Aristocrat within seven months of completion of the tower.

Further, we have ₹2,623M of capex projects underway. This includes ₹300M for asset upgrades/tenant improvements across our asset SPVs and ₹2,323M towards ongoing developments at Candor TechSpace K1, Kolkata.

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 the 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 151 to 154.

General macroeconomic scenario especially in our operational markets

The general economic condition of India, the state of the overall commercial real estate and particularly the performance of commercial real estate sector in the markets of Gurugram, Noida, Kolkata and Mumbai, where our 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 and 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.

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. However, with the lifting of restrictions, vaccinations and subsiding cases, the economy and the real estate have strongly rebounded and leasing activity has gained traction from the FY2022. While we have seen marked improvement in physical occupancy across our campuses, at 63% in March 2023, some of our tenants have not witnessed such strong "return to office" momentum. Such low physical occupancy of some of our tenants could have an adverse impact on renewals of leases of such occupiers.

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 TechSpace K1, Kolkata which owns Candor TechSpace G2, Gurugram North micro market and Candor TechSpace K1 in Kolkata, East micro market. In FY2023, Candor TechSpace G2, Gurugram accounted for 29.2% (36.8% in FY2022) of our consolidated revenue from operations and Candor TechSpace K1, Kolkata accounted for 16.5% (23% in FY2022).

Further, we depend on certain industry sectors for a significant portion of our revenues. As of March 31, 2023, 46% of the Gross Contracted Rental of our Portfolio was contracted from tenants in the technology sector, while 20% was contracted from tenants in the consulting sector and 12% was contracted from tenants in the financial services sector. Consequently, any developments affecting the demand for commercial real estate for Candor TechSpace G2, Gurugram or in Delhi NCR or demand from technology, consulting and financial services sectors may affect our results of operations. Further, for Kensington, Downtown Powai, Mumbai, 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.

Ability to grow Leasable Area of the Portfolio

Our results of operations will be affected by changes in the leasable area of our current Portfolio. Our Portfolio comprises Leasable Area of 18.7M sf, of which 14.3M sf was Completed Area and 3.9M sf was Future Development Potential, as of March 31, 2023.

The growth of our operating lease rentals is dependent on our ability to increase leasable area by developing additional 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 FY2023, the Manager committed a capex program towards various upgrades and developments. This included completion of a 0.2M sf tower in Candor TechSpace N2, Noida and commencement of a 0.6M sf mixed-use development in Candor TechSpace K1, Kolkata (expected to be completed by Q3 FY2026). Further, a capex of ₹300M has been committed towards various asset upgrade/tenant improvement programs across all assets.

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 potential opportunities.

We acquired SDPL Noida (which owns Candor TechSpace N2, Noida) on January 24, 2022, which resulted in an addition of 4.5M sf to our Portfolio. 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% and consolidated gross asset value by 73%. Downtown Powai is a prime office and high-street retail portfolio and comprises nine commercial properties located in Powai, Mumbai. Candor TechSpace G1, Gurugram is one of the largest high-quality campus office developments in Gurugram, spread across an area of 25.19 acres. Pursuant to this proposed acquisition, our Portfolio's completed area will increase to 20.6M sf from 14.3M sf of completed area in our portfolio, reflecting an increase of 44%.

We plan to continue to explore opportunities to acquire (in entirety or in part including by way of a partnership), 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

Additionally, as per agreed terms Brookfield India REIT has a right of first offer (ROFO) on Brookfield Group's 100% owned Properties comprising 4.1M sf in Mumbai.

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.

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 and conditions in the micro market. The rental changes also depend on 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. Further, our Portfolio assets have several 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 our portfolio are generally below the current market rates and expects to benefit from the significant upside arising from mark to market potential through upcoming lease renewals.

RENT IN-PLACE

₹65 per sf per month

MTM OPPORTUNITY

21%

As we step out of the pandemic, we expect rentals to remain robust. We have seen that recent leasing in FY2023 was done at an 24% re-leasing spread. This leasing was spread across all our assets, and we achieved an average rent of ₹95 per sf per month on the office leases.

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 and 15 years – three to five years of initial commitment and subsequent renewal option. This ensures sustained and stable cash flow visibility.

Our 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 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 intends to continue to strengthen its long-term relationships with the tenants in our 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 tenant which can lead to periods where we have vacant areas within the Portfolio assets that do not generate facility rentals.

As of March 31, 2023, our Portfolio had a Committed Occupancy of 84% and a WALE of 7.9 years. The expiry profile has also significantly improved with reduction in Cumulative Expiry (% of Rentals) until FY2026 from 36% in FY2022 to 22% in FY2023, primarily due to the renewal of TCS at Kensington, Downtown Powai, Mumbai, and realization of expiries during FY2023.

Committed Occupancy, WALE and Lease Maturity Profile (as of March 31, 2023)

Particulars		Kensington, Downtown Powai, Mumbai	Candor TechSpace G2, Gurugram	Candor TechSpace N1, Noida	Candor TechSpace N2, Noida	Candor TechSpace K1, Kolkata	Brookfield India REIT
Committed Occupancy (%)		87	85	96	77	84	84
WALE (years)		11.5	7.7	7.3	7.4	7.1	7.9
Lease maturity profile – area expiring (M sf)							
Financial Year	2024	0.1	0.4	0.3	0.3	0.0	1.2
	2025	0.0	0.1	0.3	0.0	0.0	0.5
	2026	0.0	0.2	0.0	0.3	0.5	1.1
	2027	0.0	0.1	0.0	0.1	0.5	0.7

Cost of financing and capital structure

We incur capital expenditure towards maintaining and upgrading the assets. While we have entered into financing agreements for all the ongoing development projects within 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 / Negative rating enables us to deliver positive operational results and higher returns to Unitholders. Our capital structure has also enabled us to ensure that despite a 250 bps increase in the repo rate in FY2023, we have witnessed an increase of only 144 bps in our interest cost. In FY2023, our finance costs were ₹4,324.57M, accounting for 35.2% of our total income.

Any reduction in our cost of borrowings may positively affect our results of operations. Conversely, an increase in the cost of borrowings will increase our interest costs and adversely affect our results of operations.

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, ensures 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 in Downtown Powai 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, Downtown Powai, Candor TechSpace G2, Gurugram; Candor TechSpace N2, Noida, and most portion of Candor TechSpace K1, Kolkata, are notified as SEZs and are required to comply with SEZ-related rules and regulations. These assets are also entitled to certain tax benefits.

Competitive operating arena

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 and upgrade our Properties, provides a vast range of amenities and organized eye-catching events, which make our Properties the ideal destination for existing and prospective tenants.

Operating and maintenance (O&M) expenses

We provide common area maintenance services, including security and housekeeping services to our tenants, for which we derive income from maintenance services.

Maintaining our O&M expenses at the optimal level enables us to achieve higher net distributable cash flows and thus provide higher returns to Unitholders. These O&M 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 the potential to impact our ability to control these expenses.

OUTLOOK

The commercial real estate market is linked to the economic development of the nation. With the Indian economy being one of the fastest growing large economies in the world, we expect demand for commercial real estate to remain buoyant. The micro markets of Gurugram, Noida, Mumbai and Kolkata are likely to witness a scenario of demand outstripping supply over the coming years, thus providing occupancy gains to players.

The high-quality assets of Brookfield India REIT have consistently accounted for a disproportionate share of the total net absorption in these micro-markets and are well-positioned to gain from an uptick in demand.

Occupiers are accelerating their back-to-office programs, and we have seen a significant improvement in the physical occupancies across our campuses. This has led to several of our tenants renewing and even expanding their presence in our 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 few years, which will only lead to a further increase in space take-up at our assets.

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

There are additional positive levers that we can rely on to improve the cash generation potential of our assets, such as:

- 4.1M sf of leased area achieved escalations in FY2023 with an average rent escalation of 11%. The full year impact of this would be visible in our cash flows in FY2024. Additionally, 1.2M sf of area is due for expiry in FY2024, the In-Place Rents of which are below-market prices and we expect to achieve re-leasing at higher rents.

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.

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, 2023.
- 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, 2022 to March 31, 2023.
- 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, 2023 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. The financial information in Consolidated Financial Statements for the year ended March 31, 2023, and Consolidated Financial Statements for the year ended March 31, 2022, are not comparable due to acquisition of SDPL Noida during the year March 31, 2022.

Financial Results of Brookfield India REIT on Consolidated Basis

Particulars	FY2023		FY2022	
	₹ in M	% of Total Income	₹ in M	% of Total Income
Income and gains				
Revenue from operations	11,969.99	97.36%	8,767.91	97.51%
Other income	324.80	2.64%	224.23	2.49%
Total income	**12,294.79**	**100 %**	**8,992.14**	**100%**
Expenses and losses				
Cost of material consumed	54.84	0.45%	24.02	0.27%
Employee benefits expenses	347.31	2.82%	196.85	2.19%
Finance costs	4,324.57	35.17%	2,080.69	23.14%
Depreciation and amortization expenses	2,752.02	22.38%	2,084.77	23.18%
Investment management fee	80.11	0.65%	81.21	0.90%
Valuation expenses	12.56	0.10%	11.60	0.13%
Trustee fees	2.95	0.02%	2.95	0.03%
Other expenses	3,316.53	26.98%	2,268.06	25.22%
Total expenses	**10,890.89**	**88.58%**	**6,750.15**	**75.07%**
Profit before income tax	**1,403.90**	**11.42%**	**2,241.99**	**24.93%**
Tax Expense				
Current tax				
- for current period	40.17	0.33%	27.96	0.31%
- for earlier years	(12.89)	(0.10)%	(3.81)	(0.04)%
Deferred tax charge/(credit)	64.30	0.52%	(245.01)	(2.72)%
Tax expense for the period	**91.58**	**0.74%**	**(220.86)**	**(2.46)%**
Profit for the year after income tax	**1,312.32**	**10.67%**	**2,462.85**	**27.39%**
Other comprehensive income				
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)	
Other comprehensive income for the year, net of tax	**0.66**		**0.99**	
Total comprehensive income for the year	**1,312.98**	**10.68%**	**2,463.84**	**27.40%**

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 FY2023 was ₹11,969.99M as against ₹8,767.91M in FY2022. Income from operating lease rentals accounted for majority of revenues from operations at 69.07% followed by income from maintenance services at 30.34%.

Particulars	FY2023		FY2022	
	(₹ in M)	% of total revenue from operations	(₹ in M)	% of total revenue from operations
Sale of Services				
Income from operating lease rentals*	8,268.03	69.07%	6,476.02	73.86%
Income from maintenance services	3,631.91	30.34%	2,263.32	25.81%
	11,899.94	**99.41%**	**8,739.34**	**99.67%**
Sale of Products				
Sale of food and beverages	62.10	0.52%	26.94	0.31%
Others	7.95	0.07%	1.63	0.02%
Total revenue from Operations	**11,969.99**	**100%**	**8,767.91**	**100%**

** Assets given on operating lease*

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 FY2023, income from operating lease rentals was ₹8,268.03M as against ₹6,476.02M in the FY2022.

- **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 real estate as well as a margin on such maintenance costs.

In FY2023, income from maintenance services was ₹3,631.91M as against ₹2,263.32M in FY2022.

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 FY2023, total sale of products was ₹70.05M as against ₹28.57M in FY2022.

(b) Other income

Other income in FY2023 was ₹324.80M as against ₹224.23M in FY2022.

(₹ in M)

Particulars	FY2023	FY2022
Interest income from financial assets at amortized cost		
Interest income on fixed deposit with banks	116.52	71.05
Interest income on security deposit	32.36	28.38
Others		
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
Total	**324.80**	**224.23**

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.

Total Expenses

Total expenses in FY2023 was ₹10,890.89M as compared to ₹6,750.15M in FY2022. Finance costs and depreciation and amortization expenses accounted for majority of the expenses at 64.98% of FY2023 total expenses.

Summary of total expenses

Particulars	FY2023		FY2022	
	(₹ in M)	% of total expenses	(₹ in M)	% of total expenses
Cost of material consumed	54.84	0.50%	24.02	0.36%
Employee benefits expenses	347.31	3.19%	196.85	2.92%
Finance costs	4,324.57	39.71%	2,080.69	30.82%
Depreciation and amortization expenses	2,752.02	25.27%	2,084.77	30.88%
Investment management fee	80.11	0.74%	81.21	1.20%
Valuation expenses	12.56	0.12%	11.60	0.17%
Trustee fees	2.95	0.03%	2.95	0.04%
Other expenses	3,316.53	30.45%	2,268.06	33.60%
Total expenses	**10,890.89**	**100%**	**6,750.15**	**100%**

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 comprise salaries, wages and bonus, contribution to provident fund, gratuity expense and compensated absences. Employee benefit expenses for FY2023 was ₹347.31M as against ₹196.85M in FY2022.

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

Finance costs for FY2023 was ₹4.32B as against ₹2.08B in FY2022.

(iv) Depreciation and amortization expenses: It comprises of the depreciation of real estate, plant and equipment and intangible assets and depreciation of investment real estate. It stood at ₹2.75B in FY2023 as against ₹2.08B in FY2022.

(v) Other expenses: It comprises primarily power and fuel, repair and maintenance, legal and professional fees, real estate management fees, credit impaired, rates and taxes, marketing & advertisement expenses and miscellaneous expenses. It stood at ₹3.31B in FY2023 as against ₹2.26B in FY2022.

Tax Expense

Tax expense for FY2023 was ₹91.58M against ₹(220.86)M in FY2022. It comprises current tax expenses and deferred tax charges or credits.

Profit for the year

There was a profit of ₹1,312.32M in FY2023 as against ₹2,462.85M in FY2022.

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, 2023, our cash and cash equivalents stood at ₹2,096.55M as against ₹2,043.65M as of March 31, 2022, supported by a strong cash flow generation from operating activities of ₹9,218.12M in FY2023. Cash and cash equivalents comprised balance with banks in current and deposit accounts.

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	FY2023	FY2022
Net cash flows generated from operating activities	9,218.12	6,059.20
Net cash flow (used in) investing activities	(780.31)	(14,033.71)
Net cash flow (used in)/ generated from financing activities	(8,384.91)	6,674.40
Net increase/(decrease) in cash and cash equivalents	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	2,096.55	2,043.65

Operating Activities

Net cash generated from operating activities was ₹9,218.12M in FY2023 as against ₹6,059.20M in FY2022.

Net cash generated from operating activities was ₹9,218.12M in FY2023. Our profit before tax was ₹1,403.90M, which was adjusted for non-cash and other items by a net amount of ₹6,669.86M, primarily for finance cost of ₹4,324.57M and depreciation and amortization expense of ₹2,752.02M. The changes in working capital primarily comprised a decrease in current and non-current financial & non-financial assets of ₹356.25M and increase in current and non-current financial & non-financial liabilities of ₹529.47M. We also received income tax refunds (net of payment) of ₹258.63M.

Investing Activities

Net cash used in investing activities was ₹780.31M in FY2023 as against ₹14,033.71M for FY2022.

Net cash used in investing activities was ₹780.31M in FY2023, primarily comprising expenditure incurred on investment real estate of ₹885.85M primarily incurred towards the construction of buildings for SDPL Noida (for Candor TechSpace N2, Noida), Festus (for Kensington, Downtown Powai, Mumbai) and SPPL Noida (for Candor TechSpace N1, Noida).

Financing Activities

Net cash used in financing activities was ₹8,384.91M in FY2023 as against generation from financing activities ₹6,674.40M in FY2022.

Net cash used in financing activities was ₹8,384.91M in FY2023, primarily comprising of distribution to Unitholders ₹6,802.19M and finance cost paid of ₹4,105.97M offset by proceeds from long-term borrowings of ₹3,400.00M.

Indebtedness

As of March 31, 2023, total outstanding borrowings, including interest accrued thereon was ₹54,520.38M. The following table sets forth details of the borrowings as of the dates indicated:

Category of borrowing	As of March 31, 2023 (₹ in M)
Non-current financial liabilities – Borrowings	53,984.16
Current financial liabilities - Short-term borrowings	-
Interest accrued and not due on borrowings	-
Current maturities of secured long-term borrowings	536.22
Total	**54,520.38**

Planned capital expenditure

Our planned capital expenditure as of March 31, 2023 was ₹2,623M as against ₹3,107M as of March 31, 2022. This includes ₹2,323M for the development of Candor TechSpace K1, Kolkata mixed-use development and ₹300M towards the completion of asset upgrades/ tenant improvements across our Asset SPVs.

Contingent liabilities

(₹ in M)

Particulars	FY2023	FY2022
Claims against the special purpose vehicles not acknowledged as debt in respect of income tax matters	971.29	1,158.86
Claims against the special purpose vehicles not acknowledged as debt in respect of indirect tax	6.43	12.43
Total	**977.72**	**1,171.29**

Discussion on the Key Financial Parameters

As the financial information in Consolidated Financial Statements for the year ended March 31, 2023 and Consolidated Financial Statements for the year ended March 31, 2022 are not comparable due to acquisition of SDPL Noida during the year March 31, 2022, the comparison of certain key financial parameters for the Financial Year ended March 31, 2023 and Financial Year ended March 31, 2022 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.

Property Name and Location	FY2023	% Operating Lease Rental	FY2022	% Operating Lease Rental
Kensington, Downtown Powai, Mumbai	1,426	92%	1,258	88%
Candor TechSpace G2, Gurugram	2,527	107%	2,320	103%
Candor TechSpace N1, Noida	1,031	110%	783	107%
Candor TechSpace N2, Noida	1,942	106%	1,814	104%
Candor TechSpace K1, Kolkata	1,319	102%	1,406	103%
CIOP	337	-	226	-
Net Operating Income (NOI)	8,582	108%	7,808	104%

Net Operating Income for FY2023 increased by 10% to ₹8,582M as against ₹7,808M in FY2022. The increase is primarily on account of new leasing and contractual escalations during the year. Further, maintenance revenue is higher primarily due to higher physical attendance and some occupiers moving to higher hours of operation, leading to increase in CAM Revenues.

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

(₹ in M)

Property Name and Location	FY2023	FY2022
Kensington, Downtown Powai, Mumbai	1,542	1,426
Candor TechSpace G2, Gurugram	2,364	2,255
Candor TechSpace N1, Noida	938	732
Candor TechSpace N2, Noida	1,839	1,742
Candor TechSpace K1, Kolkata	1,297	1,359
Total	**7,980**	**7,514**

Income from operating lease rentals increased by 6% to ₹7,980M in FY2023 from ₹7,513M in FY2022 primarily on account of new leasing and contractual escalations during the year.

Property-wise/asset-wise revenue from operations

(₹ in M)

Property Name and Location	FY2023	FY2022
Kensington, Downtown Powai, Mumbai	1,683	1,543
Candor TechSpace G2, Gurugram	3,471	3,183
Candor TechSpace N1, Noida	1,740	1,209
Candor TechSpace N2, Noida	2,824	2,467
Candor TechSpace K1, Kolkata	1,963	1,979
CIOP	570	362
Intercompany eliminations	(570)	(362)
Revenue from Operations	**11,681**	**10,380**

Revenue from operations for FY2023 increased by 13% to ₹11,681M from ₹10,380M in FY2022. The increase is primarily on account of new leasing and contractual escalations during the year. Further, maintenance revenue is higher primarily due to higher physical attendance and some occupiers moving to higher hours of operation, leading to increase in CAM Revenues.

Management Fees and Distributions

Pursuant to the Investment Management Agreement dated July 17, 2020, Investment Manager is entitled to fees @ 1% of Net Distributable Cash Flows (NDCF), exclusive of applicable taxes. The fees has been determined for undertaking management of the REIT and its investments. Total NDCF generated during FY2023 was ₹6,786.11M (₹6,884.58M in FY2022). Consequently, management fees of ₹80.11M and ₹81.21M has been accrued for the year ended March 31, 2023 and March 31, 2022 respectively.

Key ratios

Ratios	FY2023
Net debt to GAV	0.32
Interest coverage ratio	1.96

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 – 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)

Net Asset Value (NAV) and Valuation of Portfolio

The net asset value as of March 31, 2023 stood at ₹332.08 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 ₹111,275.45M as per audited Consolidated Financial Statements for the financial year ending March 31, 2023, as compared to the net asset value of ₹333.81 per unit based on audited Consolidated Financial Statements for the financial year ending March 31, 2022 calculated on the net assets at fair value as of March 31, 2022 of ₹111,854.49M.

Consolidated Statement of Net assets at fair value

(₹ in M)

Particulars	March 31, 2023		March 31, 2022	
	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. Net assets (A-B)	**83,337.38**	**111,275.45**	**88,820.93**	**111,854.49**
D. Number of Units (No.)	335,087,073	335,087,073	335,087,073	335,087,073
NAV per Unit (C/D)	**248.70**	**332.08**	**265.07**	**333.81**

Valuation technique (include frequency of valuation)

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.

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 ₹163,729.00M as of March 31, 2023 as compared to ₹160,361M as of March 31, 2022.

Project-wise break-up of fair value

(₹ in M)

Entity and Property name	March 31, 2023			March 31, 2022		
	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, Kolkata and Candor TechSpace G2, Gurugram)	72,300.00	3,572.58	75,872.58	70,806.53	3,776.76	74,583.29
SPPL Noida (owner of Candor TechSpace N1, Noida)	24,245.00	909.69	25,154.69	21,329.32	751.69	22,081.01
Festus (owner of Kensington, Downtown Powai, Mumbai)	24,288.00	1,739.61	26,027.61	27,258.00	1,972.85	29,230.85
CIOP	-	102.06	102.06	-	107.41	107.41
SDPL Noida (owner of Candor TechSpace N2, Noida)	42,896.00*	2,452.64	45,348.64	40,967.28*	2,118.61	43,085.89
Brookfield India Real Estate Trust	-	1,839.47	1,839.47	-	1,803.09	1,803.09
Total	**163,729.00**	**10,616.05**	**174,345.05**	**160,361.13**	**10,530.41**	**170,891.54**

**Includes ₹517.23M (March 31, 2022: ₹1,162.13M) of finance receivable relating to income support and corresponding amount has been reduced from other assets.*

March 2023 Valuation Summary

Asset name and location	Leasable Area (M sf)			Market Value (₹ in M)			
	Completed	Under Construction Area	Future Development Potential	Completed Area	Under Construction	Future Development Potential	Brookfield India REIT's Ownership
PORTFOLIO							
Kensington, Downtown Powai, Mumbai	1.56	-	-	24,288	-	-	100%
Candor TechSpace G2, Gurugram	3.92	-	0.10	44,724	-	563	100%
Candor TechSpace N1, Noida	1.97	-	0.86	21,271	-	2,974	100%
Candor TechSpace N2, Noida	3.78	-	0.77	40,493	-	2,403	100%
Candor TechSpace K1, Kolkata	3.06	0.56	2.12	22,763	643	3,607	100%
Total	**14.29**	**0.56**	**3.85**	**153,539**	**643**	**9,548**	**-**

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, Downtown 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**	**4.4**	**149,316**	**11,045**	**160,361**	**-**

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. The Board of Directors of the Manager have formed a risk management Committee to frame, implement and monitor the risk management framework for the Manager. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The major business and process risks are identified from time to time by the business and functional heads. The Board of Directors have devised roles and responsibilities of the Committee, which are in keeping with REIT Regulations and to ensure that the whole process of risk management is well coordinated and carried out as per the risk management framework.

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 Committees of the Manager is assisted by risk management 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 Manager 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 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 Manager's focus continues to incorporate embedding technologies to strengthen internal control environment.