



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.

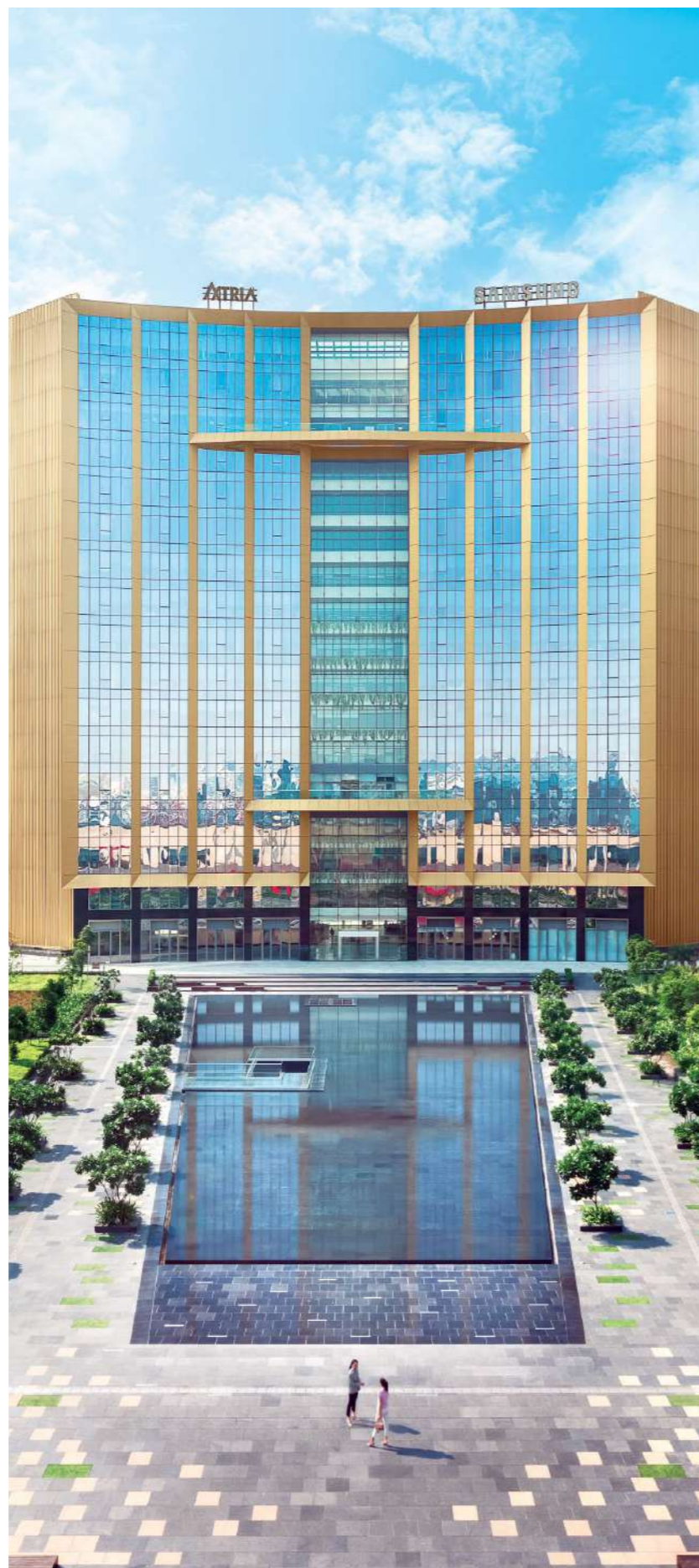
## FINANCIAL OVERVIEW

### 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
<b>Income and gains</b>				
Revenue from operations	11,969.99	97.36%	8,767.91	97.51%
Other income	324.80	2.64%	224.23	2.49%
<b>Total income</b>	<b>12,294.79</b>	<b>100 %</b>	<b>8,992.14</b>	<b>100%</b>
<b>Expenses and losses</b>				
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%
<b>Total expenses</b>	<b>10,890.89</b>	<b>88.58%</b>	<b>6,750.15</b>	<b>75.07%</b>
<b>Profit before income tax</b>	<b>1,403.90</b>	<b>11.42%</b>	<b>2,241.99</b>	<b>24.93%</b>
<b>Tax Expense</b>				
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)%
<b>Tax expense for the period</b>	<b>91.58</b>	<b>0.74%</b>	<b>(220.86)</b>	<b>(2.46)%</b>
<b>Profit for the year after income tax</b>	<b>1,312.32</b>	<b>10.67%</b>	<b>2,462.85</b>	<b>27.39%</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit obligations	1.03		1.19	
- Income tax related to items that will not be reclassified to profit or loss	(0.37)		(0.20)	
<b>Other comprehensive income for the year, net of tax</b>	<b>0.66</b>		<b>0.99</b>	
<b>Total comprehensive income for the year</b>	<b>1,312.98</b>	<b>10.68%</b>	<b>2,463.84</b>	<b>27.40%</b>

## 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
<b>Sale of Services</b>				
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%
	<b>11,899.94</b>	<b>99.41%</b>	<b>8,739.34</b>	<b>99.67%</b>
<b>Sale of Products</b>				
Sale of food and beverages	62.10	0.52%	26.94	0.31%
Others	7.95	0.07%	1.63	0.02%
<b>Total revenue from Operations</b>	<b>11,969.99</b>	<b>100%</b>	<b>8,767.91</b>	<b>100%</b>

\* 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.

Particulars	(₹ in M)	
	FY2023	FY2022
<b>Interest income from financial assets at amortized cost</b>		
Interest income on fixed deposit with banks	116.52	71.05
Interest income on security deposit	32.36	28.38
<b>Others</b>		
Income from scrap sale	15.62	6.80
Interest on income tax refund	69.72	34.21
Liabilities/provisions no longer required written back	12.23	1.84
Fair value gain on income support	77.46	31.58
Miscellaneous income	0.89	50.37
<b>Total</b>	<b>324.80</b>	<b>224.23</b>

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

#### 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%
<b>Total expenses</b>	<b>10,890.89</b>	<b>100%</b>	<b>6,750.15</b>	<b>100%</b>

#### 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

Particulars	(₹ in M)	
	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
<b>Total</b>	<b>54,520.38</b>

### 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

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
<b>Total</b>	<b>977.72</b>	<b>1,171.29</b>

### 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	-
<b>Net Operating Income (NOI)</b>	<b>8,582</b>	<b>108%</b>	<b>7,808</b>	<b>104%</b>

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

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
<b>Total</b>	<b>7,980</b>	<b>7,514</b>

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

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)
<b>Revenue from Operations</b>	<b>11,681</b>	<b>10,380</b>

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

#### 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)
<b>C. Net assets (A-B)</b>	<b>83,337.38</b>	<b>111,275.45</b>	<b>88,820.93</b>	<b>111,854.49</b>
D. Number of Units (No.)	335,087,073	335,087,073	335,087,073	335,087,073
<b>NAV per Unit (C/D)</b>	<b>248.70</b>	<b>332.08</b>	<b>265.07</b>	<b>333.81</b>



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)

#### 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
<b>Total</b>	<b>163,729.00</b>	<b>10,616.05</b>	<b>174,345.05</b>	<b>160,361.13</b>	<b>10,530.41</b>	<b>170,891.54</b>

\*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)			Brookfield India REIT's Ownership
	Completed	Under Construction Area	Future Development Potential	Completed Area	Under Construction	Future Development Potential	
<b>PORTFOLIO</b>							
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%
<b>Total</b>	<b>14.29</b>	<b>0.56</b>	<b>3.85</b>	<b>153,539</b>	<b>643</b>	<b>9,548</b>	<b>-</b>

## March 2022 Valuation Summary

Asset name and location	Leasable Area (M sf)			Market Value (₹ in M)			Brookfield India REIT's Ownership
	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	
<b>PORTFOLIO</b>							
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%
<b>Total</b>	<b>14.1</b>	<b>0.2</b>	<b>4.4</b>	<b>149,316</b>	<b>11,045</b>	<b>160,361</b>	<b>-</b>

## 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.