

# BROOKFIELD INDIA REAL ESTATE TRUST

## EXECUTIVE SUMMARY

- The Brookfield India Real Estate Trust ("Brookfield REIT") is India's only institutionally managed public commercial real estate vehicle. Sponsored by an affiliate of Brookfield Asset Management ("BAM"), one of the world's largest alternative asset managers with approximately US\$575 billion in assets under management, as of September 30, 2020, their goal is to be the leading owner of high quality income producing commercial real estate assets in key gateway Indian markets, which have significant barriers to entry.
- They owns an Initial Portfolio of 4 large campus-format office parks, which are "business-critical", located in some of India's key gateway markets - Mumbai, Gurugram, Noida and Kolkata. Their Initial Portfolio totals 14.0 msf, comprising 10.3 msf of Completed Area, 0.1 msf of Under Construction Area and 3.7 msf of Future Development Potential.
- Their Initial Portfolio's Completed Area has a Same Store Committed Occupancy of 92% (and a 87% Committed Occupancy, which includes the recently completed 0.5 msf at Candor Techspace N1) and is leased to marquee tenants with 75% of Gross Contracted Rentals contracted with multi-national corporations such as Barclays, Bank of America Continuum, RBS, Accenture, Tata Consultancy Services and Cognizant.
- While a 7.1 year WALE provides stability to the cash flows of their Initial Portfolio, they are well positioned to achieve further organic growth through a combination of contractual lease escalations, 36% mark-to-market headroom to in-place rents, lease-up of vacant space and near-term completion of Under Construction Area to meet tenants' expansion needs.
- They intends to leverage Brookfield Group's real estate holdings in India by entering into agreements that provide rights to acquire their existing properties in their markets. They have the exclusive right, at their discretion, to acquire the Identified Assets, one office park in each of Gurugram and Noida, similar to the office parks in the Initial Portfolio that are near-stabilization and currently owned by members of the Brookfield Group. The Identified Assets encompass 8.3 msf of office space. The Initial Portfolio, Identified Assets and ROFO Properties combined, creates the potential for them to almost double their Initial Portfolio's Leasable Area to 28.9 msf.

## Brief Financial Details\*

(₹ In Cr)

Particulars	As at Sep'30,	As at March 31,		
	2020	2020	2019	2018
Share Capital	65.20	65.20	55.20	15.20
Reserves	(2,543.98)	(2,284.92)	(2,551.78)	(2,634.11)
Long Term Borrowings	6,845.55	6,668.85	6,197.15	3,345.80
Short Term Borrowings	-	174.14	262.17	-
Revenue from Operations	455.14	956.71	895.92	821.85
Revenue Growth (%)	-	6.79%	9.01%	-
Net Operating Income	344.69	676.34	628.36	590.24
Adj. EBITDA as stated	335.28	618.32	590.18	588.19
Profit Before Tax	(73.81)	41.43	54.11	173.51
Profit for the Period	(73.92)	15.12	(15.75)	161.08

Source: Offer document, \*Condensed, Combined

## Issue Details

**Fresh Issue of Units aggregating upto ₹3,800 Cr**

## Issue highlights

**Net Issue size: ₹ 3,800 Cr**
**No. of units: 13.87~ - 13.81^ Cr Units**

## Issue summary

**Price band : ₹ 274 – 275**
**Bid Lot: 200 Units & in multiple thereafter**
**Minimum Bid Amount =**

₹ 54,800~ – ₹ 55,000^

(~ Lower Price Band and ^Upper Price Band)

**GCBRLMs:** Morgan Stanley, BofA Securities, Citigroup Global, HSBC Securities

**BRLMs:** Axis Capital, Ambit Pvt. Ltd., IIFL Securities, JM Financial, J.P. Morgan India, Kotak Mahindra Capital, SBI Capital Markets

**Issue opens on\*: Wednesday, 3<sup>rd</sup> Feb'2021**
**Issue closes on: Friday, 5<sup>th</sup> Feb'2021**

 \* The Anchor Investor Bidding Date shall be on 2<sup>nd</sup> Feb' 2021

**Sponsor:** BSREP India Office Holdings V Pte. Ltd.

**Manager:** Brookprop Management Services Pvt. Ltd.

**Trustee :** Axis Trustees Services Ltd

**Registrar:** Link Intime India Pvt. Ltd.

## Indicative Timeline for Listing

Activity	On or about
Finalisation of Basis of Allotment	11-02-2021
Initiation of Refunds/Designated Date	12-02-2021
Credit of units	12-02-2021
Trading commences	17-02-2021

**Listing:** BSE and NSE

## Offer Structure

Offer Size	₹ 3,800 Crore		
Offer Details	Fresh Issue of units aggregating up to ₹ 3,800 Cr		
Offer Schedule*	<b>For Anchor Investors</b>		<b>For Non Anchor Investors</b>
Offer Opens on	02-02-2021		03-02-2021
Offer Closes on	02-02-2021		05-02-2021
Price Band	₹ 274 to ₹ 275		
Minimum Bid	200 Units and in multiple of 200 units thereafter		
Category	<b>Institutional Investors</b>		<b>Other Investors</b>
Bucket Size (%) available for Allotment/allocation	Not more than 75% of the Issue		Not less than 25% of the Issue
Bucket Size (Units) at upper band	<b>Anchor</b>	<b>Non Anchor</b>	~3.45 Cr Units
	~6.21 Cr Units	~4.15 Cr Units	
Bucket Size (₹ Cr) at upper band	₹ 1,710 Cr	₹ 1,140 Cr	₹ 950 Cr
Trading Lot	Such number of Units, the value of which is not less than ₹ 50,000		
Who can Apply	<ul style="list-style-type: none"> <li>QIBs; or</li> <li>family trusts or intermediaries registered with SEBI, all with net-worth of more than ₹ 500 Cr, in accordance with the last audited financial statements</li> </ul>		<ul style="list-style-type: none"> <li>Bidders other than Institutional Investors, eligible to apply in this Issue</li> </ul>
Basis of Allotment if respective category is oversubscribed	For Institutional and Other Investors = Proportionate Basis		

## OBJECTS OF THE ISSUE

Objects	(₹ In Cr) Amount
Partial or full pre-payment or scheduled repayment of the existing indebtedness of the Asset SPVs	3,575.0
General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

## BASIS FOR ISSUE PRICE

Based on the evaluation of the qualitative and quantitative factors listed below, the Unit Value at the Floor Price, the Cap Price and the Offer Price is as follows:

Particulars	At Floor Price ₹ 274	At Cap Price ₹ 275
Equity Value (₹ Cr)	8,296.8	8,327.0
Total No. of Units (Post Issue)	302,801,601	302,801,601

## Price/ Net Asset Value per Unit ratio in relation to Offer Price

Particulars	Amount (₹)	At Floor Price	At Cap Price
Net Asset Value per Unit as of September 30, 2020	311	88.0%	88.4%

## Comparison with Industry Peers

Particulars	NAV per Unit (₹)*	Premium / (Discount to NAV) %^
Embassy Office Parks REIT	375.02	(5.3)%
Mindspace Business Parks REIT	338.41	(3.0)%

\* Fair Value NAV as of September 30, 2020 ^ Calculated as Unit Price / NAV -1. Unit price is as of December 14, 2020

## BACKGROUND OF THE BROOKFIELD REIT

The Brookfield India Real Estate Trust ("Brookfield REIT") has been settled by its Manager (solely as the settlor, on behalf of its Sponsor) for the Initial Contribution. It was settled on July 17, 2020 at Mumbai, Maharashtra, India as a contributory, determinate and irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to a

trust deed dated July 17, 2020. The Brookfield REIT was registered with SEBI on September 14, 2020 at Mumbai as a real estate investment trust.

**BSREP V is the sponsor of the Brookfield REIT, Brookprop Management Services Pvt. Ltd. has been appointed as the manager to the Brookfield REIT and Axis Trustee Services Ltd. shall act as the trustee to the Brookfield REIT.**

Pursuant to the Formation Transactions, its Initial Portfolio is proposed to be acquired and held by the Brookfield REIT through their Asset SPVs. Additionally, CIOP, which provides services including property management, facilities management and support services to their Candor Asset SPVs has been considered as an investment by the Brookfield REIT and will be directly held by the Brookfield REIT.

## INVESTMENT OBJECTIVES

The Brookfield REIT has been settled, *inter alia*, with the following investment objectives:

- To raise funds in accordance with applicable law, for the purpose of attaining the object and purpose of the Brookfield REIT;
- To make Investments or re-Investments in accordance with inter alia the Trust Deed, the Investment Management Agreement, the Share Acquisition Agreement and applicable law, including any business of operation and maintenance of any of their Initial Portfolios' directly held by the Brookfield REIT;
- To hold amounts held by the Brookfield REIT pending investment or distribution, or as a reserve of the Brookfield REIT's anticipated obligations, as permitted under the REIT Regulations;
- To make distributions to its Unit-holders in the manner set out in the Trust Deed;
- To do all other things necessary and conducive to the attainment of the aforesaid objectives, through agents or other delegates (including their Manager); and
- To carry on generally such other activities as may be permitted under applicable laws.

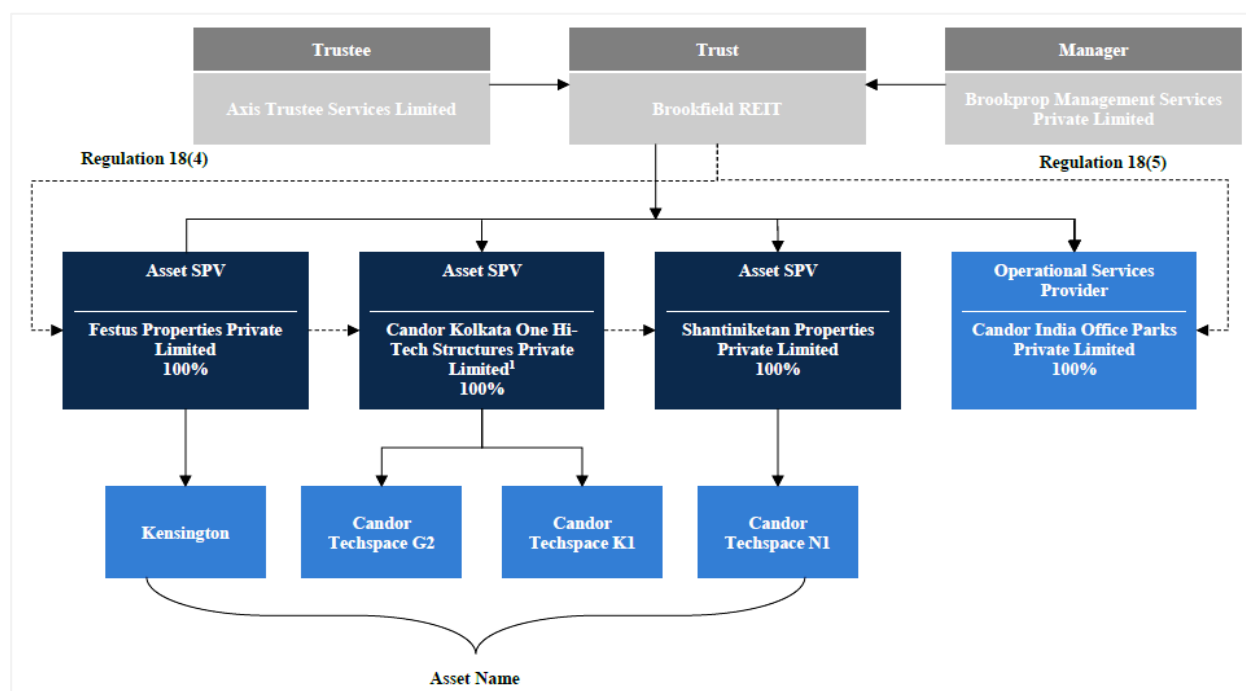
### ***Certain investment conditions applicable to the Brookfield REIT***

- In accordance with the REIT Regulations, the Brookfield REIT is required to ensure compliance with, *inter alia*, the following investment conditions:
  - Invest not less than 80% of the value of its assets in completed and rent and/ or income generating properties;
  - Not more than 20% of the value of its assets shall be invested in certain permitted forms of investments (whether directly or through a company or LLP) which include, among other things, under construction properties, completed but not rent generating properties, mortgage backed securities, listed or unlisted debt of companies or body corporates in the real estate sector, unlisted equity shares of companies which derive not less than 75% of their operating income from real estate activity according to the audited accounts of the previous Financial Year; and
  - Not less than 51% of the consolidated revenues of the Brookfield REIT, and its Asset SPVs, other than gains arising from disposal of properties, must at all times arise from rental, leasing and letting real estate assets or any other income incidental to the leasing of such assets.
- Further, its Manager is required to monitor these thresholds on a half-yearly basis and at the time of the acquisition of an asset. In the event these conditions are breached on account of market movements of the price of the underlying assets or securities or change in tenants or expiry of lease or sale of properties, its Manager is required to inform the Trustee and ensure that these conditions are satisfied within 6 months of any such breach (or within 1 year if approved by its Unit-holders).
- In addition to the investment ratios set out above, the REIT Regulations and the Trust Deed also impose restrictions on certain investments including, among other things, investing in units of other REITs, launching schemes under the Brookfield REIT, investments in vacant land, agricultural land or mortgages other than mortgage backed securities, and assets located outside India. The Brookfield REIT is also restricted from co-

investing with any person(s) in any transaction in the event the investment by such other person(s) is on terms more favourable than those offered to the Brookfield REIT.

- The properties (including under construction properties which are part of existing income generating properties) acquired by the Brookfield REIT are also required to be held for a period of at least 3 years from the date of completion or purchase, as applicable, pursuant to the REIT Regulations.

## Proposed Brookfield REIT Structure



Note:

1. By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated August 8, 2019 and has approved the application for rectification of the aforesaid order by way of its order dated November 14, 2019. The scheme has been made effective from May 4, 2020 with the approval of the BoA dated March 5, 2020 and ROC, Mumbai dated May 4, 2020.

## Board of Directors of the Manager

**Akila Krishnakumar** is an independent director of the Manager. She is an experienced professional with a long industry standing, including over 18 years of experience in the field of technology. She is currently on the board of Heidelberg Cement India Ltd., Matrimony.Com Ltd., IndusInd Bank Ltd. and ABB Power Products and Systems India Ltd.

**Shailesh Vishnubhai Haribhakti** is an independent director of the Manager. He is an experienced professional in the field of finance and accounting. He is the founder and chairman of New Haribhakti Business Services LLP, since 2013. He is also currently the chairman of Blue Star Limited and on the board of directors of L&T Finance Holdings Ltd., L&T Mutual Fund Trustee Ltd. and Ambuja Cements Ltd.

**Anuj Ranjan** is currently a non-executive director of the Manager. He is a part of the senior leadership of BAM and is the managing partner and chief executive officer of South Asia and Middle East for BAM and is responsible for overseeing the investment initiatives and operations of Brookfield in these regions. He joined the Brookfield Group in 2006 and has held various positions in the organisation over the years.

**Ankur Gupta** is currently a non-executive director of the Manager. He is the managing partner, country head – India (real estate) at the Brookfield Group and is responsible for overseeing the investments and operations of the Brookfield Property Group in India. He joined the Brookfield Group in 2012 and has worked on Brookfield Property Group's transactions spanning across India and North America.

## The key personnel of the Manager

**Alok Aggarwal** is the managing director and chief executive officer – India office business of their Manager. He heads all aspects of the business of their Manager including design, development, strategic initiatives, finance,

corporate strategy, leasing and tenant relationships. He has over 29 years of experience in managing projects, business development and overseeing operations and investments of entities in the real estate sector. Prior to joining the Brookfield Group, he has worked at Milestone Capital Advisors Ltd., Sun-Ares India Real Estate Advisors Pvt. Ltd., Hindustan Prefab Ltd., DLF Universal Ltd., Delta Mechcons (I) Ltd., TCG Urban Infrastructure Holdings Ltd. (a Chatterjee group company) and Mahindra Gesco Developers Ltd.

**Sanjeev Kumar Sharma** is the Executive Vice President and Chief Financial Officer – India office business of the Manager. He has previously worked at Apollo Tyres Ltd, Galaxy Mercantile Pvt. Ltd. (currently owned by Embassy Office Parks REIT), JK Paper Ltd, ICICI Bank Ltd, Quippo Construction Equipment Ltd and BPTP Ltd. He has over 26 years of experience in finance, accounts and taxation. At their Manager, he heads various aspects of finance including fund raising, mergers and acquisitions, business strategy, investor relations, reporting under accounting standards, controllership, budgeting and taxation.

#### *Members of the core team of the Manager*

**Shantanu Chakraborty** is the senior vice president and regional Head – North (Gurugram and Noida) at their Manager. Prior to joining their Manager, he has worked at AIG Global Real Estate India Advisors Pvt. Ltd., Jones Lang LaSalle Property Consultants (I) Pvt. Ltd. and Mathur & Kapre Associates Pvt. Ltd. (an architectural firm). He has over 15 years of experience in real estate investing, architecture and real estate consulting.

**Vithal Kernath Suryavanshi** is the senior vice president and regional Head – West (Mumbai and Pune) at their Manager. Prior to joining the Manager, he has previously worked at K. Raheja Corp Pvt. Ltd. He has over 28 years of experience in the commercial sales and leasing in the real estate sector.

**Subrata Ghosh** is the senior vice president and regional head – east (Kolkata) at their Manager. He has previously worked at Reliance Engineering Associates (P) Ltd., Shapoorji Pallonji & Co. Ltd. and Shrishti Hotels Pvt. Ltd. He has over 23 years of experience in project management.

**Sanjay Yadav** is the senior vice president – Legal at their Manager. Prior to joining their Manager, he has previously worked at SNC-Lavalin Infrastructure Pvt. Ltd., A2Z Online Services Pvt. Ltd. and TCG Urban Infrastructure Holdings Ltd. He has over 23 years of experience in the fields of law, corporate affairs and administration.

**Baljit Singh** is the Vice President - Operations at their Manager. He has previously worked at DLF Estate Developers Ltd. and the Pathways World School. He has over 32 years of experience in real estate.

**Ruhi Goswami** is the vice president and general counsel at their Manager and is also the Compliance Officer. Prior to joining their Manager, she has previously worked at Shardul Amarchand Mangaldas & Co and Brookfield Advisors India Pvt. Ltd. She has over 8 years of experience in the field of law.

## **BUSINESS OVERVIEW**

The Brookfield REIT is India's only institutionally managed public commercial real estate vehicle. Sponsored by an affiliate of Brookfield Asset Management ("**BAM**"), one of the world's largest alternative asset managers with approximately US\$575 billion in assets under management, as of September 30, 2020, its goal is to be the leading owner of high quality income producing commercial real estate assets in key gateway Indian markets, which have significant barriers to entry.

Over the last 2 decades, India has emerged as a leading hub for technology and corporate services due to a highly skilled and young workforce and a distinct competitive cost advantage. With approximately 9 crore people expected to be added to the workforce by 2030, this structural driver will further increase office absorption, creating compelling opportunities across the commercial real estate market in India. The COVID-19 pandemic has accelerated the structural shift that was already underway prior to the crisis in relation to the usage and deployment of technology especially cloud, data analytics, e-commerce and digital transformation. The global spending on software and IT services is expected to grow at a robust rate between FY2020 and FY2025 and the technology industry in India is expected to grow at a CAGR of 13% to US\$350 billion by FY 2025 from an estimated US\$191 billion in FY 2020 due to the large STEM talent pool, competitive cost advantage and favourable demographics in the country. Company's strategy is to address this demand by owning and operating large "fully-integrated", "campus-format" office parks in established locations, and providing a complete ecosystem to its tenants and their employees.

The primary objective of company's strategy is to provide attractive risk-adjusted total returns to its Unitholders derived from:

- Stable yield supported by its Initial Portfolio's long-term contracted cash flows;
- Property level income growth that is embedded in their Initial Portfolio through contractual rent escalations, mark-to-market headroom and in-situ development potential;
- Acquisitions including those of identified external growth opportunities through the Identified Assets and the ROFO Properties; and
- Asset value appreciation, through continuous investment in the properties to upgrade them.

The company seeks to achieve this objective through the performance of its high quality Initial Portfolio, driven by proactive portfolio management, maintaining a prudent capital structure, implementing corporate governance framework aligned with best market practices, and access to Brookfield's global platforms, which provide them a breadth of resources, relationships and expertise. Further, to execute its strategy, their Manager, which is an affiliate of Brookfield, has an on-ground professional management team with extensive industry experience, domain knowledge and a strong track record of value creation.

### **Portfolio Overview**

***Company's Initial Portfolio comprises 14 msf, with rights to acquire a further 8.3 msf and rights of first offer on an additional 6.7 msf, both currently owned by members of the Brookfield Group.***

In line with its strategy and business plan, Brookfield REIT owns an Initial Portfolio of 4 large campus-format office parks, which are "business-critical", located in some of India's key gateway markets - Mumbai, Gurugram, Noida and Kolkata. Its Initial Portfolio totals 14 msf, comprising 10.3 msf of Completed Area, 0.1 msf of Under Construction Area and 3.7 msf of Future Development Potential.

Their Initial Portfolio's Completed Area has a Same Store Committed Occupancy of 92% (and a 87% Committed occupancy, which includes the recently completed 0.5 msf at Candor Techspace N1) and leased to marquee tenants with 75% of Gross Contracted Rentals contracted with multi-national corporations such as Barclays, Bank of America Continuum, RBS, Accenture, Tata Consultancy Services and Cognizant. While a 7.1 year WALE provides stability to the cash flows of its Initial Portfolio, they are well positioned to achieve further organic growth through a combination of contractual lease escalations, 36% mark-to-market headroom to in-place rents, lease-up of vacant space and near term completion of Under Construction Area to meet tenants' expansion needs. Currently, the near-term completion of construction is de-risked as a majority of it has received the occupation certificate and the balance has achieved full financial closure with key approvals in place and expected completion by September 2021. These factors create a strong foundation for organic cash flow growth, such that its Initial Portfolio's NOI is projected to grow by 25% (net of one-time adjustment) to ₹818.6 crore (including CIOF), over the Projections Period ending in FY 2023. These NOI drivers will contribute to an increase in the value of the underlying properties and the potential to produce attractive returns for its Unitholders.

The company intends to leverage Brookfield Group's real estate holdings in India by entering into agreements that provide options to acquire their existing properties in their markets. Brookfield REIT has the exclusive right and option at its discretion to acquire the Identified Assets, one office park in each of Gurugram and Noida, similar to the office parks in the Initial Portfolio that are near-stabilization and currently owned by members of the Brookfield Group. The Identified Assets encompass 8.3 msf of office space. In addition, they will also benefit from rights of first offer on the ROFO Properties - the Brookfield Group's 100% owned commercial real estate assets in India's financial capital, Mumbai, comprising 6.7 msf in office space. The Initial Portfolio, Identified Assets and ROFO Properties combined, creates the potential for them to almost double their Initial Portfolio's Leasable Area to 28.9 msf, while growing consistent with their strategy of owning high quality real estate in premier locations.

The scale and quality of these office parks make Brookfield REIT the preferred "landlord of choice" for their tenants, which are evident from the historical performance in occupancy and new leasing rents of its properties, and tenant consolidation and expansion examples. Further, their strong compliance standards, in-line with Brookfield's global operating procedures, have enabled them to attract, retain and grow marquee tenants in its office parks resulting in high renewal rates from their tenants. Their strategy will allow them to consistently attract marquee tenants, while differentiating them significantly from other office landlords and developers. Their real estate offerings, along with their operations-oriented value-add approach, is very difficult to replicate due to challenges associated with long



development timelines and dearth of similar large campus-format properties in comparable advantaged locations. Brookfield REIT is also one of the largest landlords in each of their micro-markets, allowing their Manager to create significant efficiencies in asset management, operations and tenant offerings.

For the Initial Portfolio, their Manager has:

- Leased 4.3 msf between April 1, 2015 and September 30, 2020;
- Achieved 85% tenant retention rate between April 1, 2015 and September 30, 2020;
- Added 3.6 msf of Completed Area through on-campus development between April 1, 2015 and September 30, 2020;
- Maintained consistently high occupancy with Same Store Committed Occupancy of 92% (representing Committed Occupancy for areas where the occupancy certificate was received on or before March 31, 2020) and Committed Occupancy of 87%;
- Invested ₹11.86 crore, ₹41.06 crore, ₹32.11 crore and ₹12.20 crore during FY2018, FY2019, FY2020 and 6 months ended September 30, 2020 respectively, to renovate their Initial Portfolio including lobby and facade upgrades, elevator modernizations, renovations of public areas, landscaping, addition of cafes, food courts and boardwalks, modernization of building-wide systems, installing substations and enhancement of other tenant amenities; and
- Focused on environmental sustainability and undertaken several energy efficiency initiatives such as installing rooftop solar panels and on-campus sub-stations, which resulted in their properties receiving several accolades.

Company's Manager has grown their NOI from ₹590.24 crore for FY 2018 to ₹676.34 crore for FY 2020. Their NOI was ₹344.69 crore for the 6 months ended September 30, 2020. In addition, post the utilization of the net proceeds from the Offer, their total outstanding indebtedness in principal amount is expected to be less than 18.5% of their initial Market Value, providing them significant financial flexibility to grow through economic cycles.

### Recent Developments

- The Company is witnessing a recovery in demand for office space across the Initial Portfolio. In addition to having re-leased 0.5 msf of leases that expired during the 6 months ended September 30, 2020, they have received interest and are engaged in discussions with respect to 1.6 msf.
- During the months of October, November and December 2020, they collected 99%, 98% and 96% of their Gross Contracted Rentals, respectively.
- Their Manager has undertaken several significant initiatives at the office parks to promote the health and safety of tenants and visitors and Candor Techspace G2 have been awarded the 5-star certification by the British Safety Council in November 2020.

## BUSINESS UPDATE – COVID 19

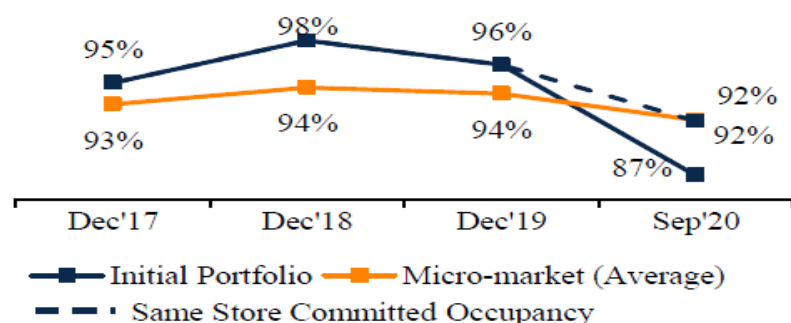
Their Manager has undertaken several significant initiatives at the office parks in response to the pandemic and to promote the health and safety of tenants and visitors. Their Manager is closely monitoring the impact of COVID-19 on all aspects of their business and operations, including its impact on the tenants and the preventative or protective actions of the central, state and local Governments on the relevant aspects of the Initial Portfolio. The pandemic has resulted in adverse economic conditions globally as well as in India and consequently they may face a slowdown in leasing of vacant area or preleasing of Under Construction Area in the Initial Portfolio. However, potential tenants continue to make enquiries and visit and evaluate the office parks. Their Manager is focused on tenant retention and rent collections and between April 1, 2020 and September 20, 2020, leased and renewed 0.5 msf at the Initial Portfolio. Certain **existing tenants have leased additional space at the office parks to de-densify their premises.**

As a result of the impact of COVID-19 on the tenants' business, the tenants may seek deferrals on their rental payments, ask to modify their obligations under their lease agreements or prematurely terminate the lease agreements. Their Manager has agreed to defer the commencement date of certain new leases and a limited number of lease agreements have been terminated. However, the Leasable Area underlying such terminated lease agreements is not material. Further, their Manager has provided rent waivers only to amenity and food and beverage tenants. In addition, they have reduced their common area maintenance cost. Their Manager has also focused on maintaining business continuity and operational efficiencies during the lockdown and is evaluating various cost reduction measures.

They did not face significant disruptions in their operations due to COVID-19 during the financial year 2020 and the 6 months ended September 30, 2020. They collected 98%, 98%, 99%, 99%, 97% and 98% of the Gross Contracted Rentals for the months of April, May, June, July, August and September 2020, respectively.

As of September 30, 2020, the Committed Occupancy, Same Store Committed Occupancy and in-place rent of the Initial Portfolio was 87%, 92% and ₹62 psf/month, respectively. Further, on account of the lockdowns enforced and constrained availability of labour, construction activity at on-going projects in the Initial Portfolio was halted during the months of April and May 2020, but has since resumed gradually, in light of the eased restrictions implemented by state governments.

#### Initial Portfolio - Committed Occupancy



The company has not availed any deferments or moratoriums with respect to any of their financial commitments including debt servicing.

## REVENUE – PROPERTY WISE RENTAL/OPERATING INCOME

#### Property-wise Revenue from Operations

Property Name & Location	Asset SPV/Entity	6 months ended Sep'30,		Year Ended March 31,					
		2020		2020		2019		2018	
		Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue	Revenue (₹ Cr)	% to Revenue
Kensington, Mumbai	Festus Properties Pvt. Ltd. ("Festus")	79.59	17.52%	161.64	16.9%	156.67	17.5%	151.22	18.4%
Candor Techspace G2, Gurugram	Candor Kolkata One Hi-Tech Structures Pvt. Ltd ("Candor Kolkata")	194.70	42.8%	408.43	42.7%	402.27	44.9%	375.79	45.7%
Candor Techspace N1, Noida	Shantiniketan Properties Pvt. Ltd. ("SPPL Noida")	62.92	13.8%	131.75	13.8%	107.92	12.0%	86.18	10.5%
Candor Techspace K1, Kolkata	Candor Kolkata One Hi-Tech Structures Pvt. Ltd. "Candor Kolkata")	108.34	23.8%	224.67	23.5%	202.06	22.6%	186.05	22.6%
Operational Services Provider, Mumbai	Candor India Office Parks Pvt. Ltd. ("CIOP")	9.59	2.1%	30.21	3.1%	27.0	3.0%	22.61	2.8%
<b>Revenue from operations</b>		<b>455.14</b>	<b>100.0%</b>	<b>956.71</b>	<b>100.0%</b>	<b>895.92</b>	<b>100.0%</b>	<b>821.85</b>	<b>100.0%</b>

## PORTFOLIO DETAILS

#### Initial Portfolio

The Initial Portfolio has 14.0 msf spread across large gated community office parks in 4 gateway office markets of India. While 3 of the office parks (Kensington, Candor Techspace G2 and Candor Techspace K1) are SEZs, Candor



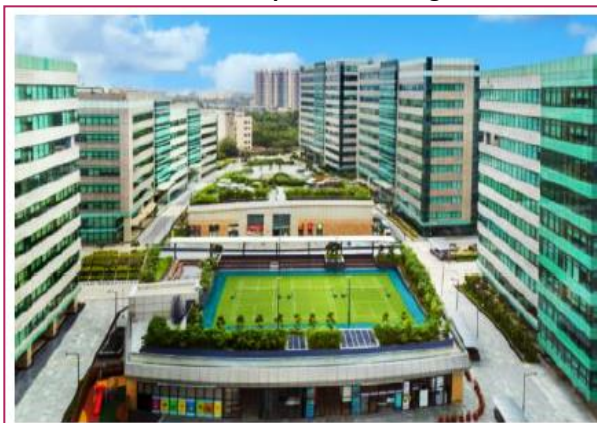
Techspace N1 is an IT park. SEZs and IT parks are preferred office locations for technology operations in India as they are entitled to certain tax benefits, provide opportunities for expansion and consolidation and are typically equipped with a diverse range of amenities to cater to the employee base of occupiers.

The Initial Portfolio is substantially complete with 10.3 msf Completed Area and having 92% Same Store Committed Occupancy (87% Committed Occupancy including the recently completed tower in Candor Techspace N1) and 0.1 msf of Under Construction Area that is expected to be complete by September 2021. Further, the Initial Portfolio has 3.7 msf of Future Development Potential primarily in Candor Techspace N1 and Candor Techspace K1.

Kensington, Mumbai



Candor Techspace G2, Gurugram



Candor Techspace N1, Noida



Candor Techspace K1, Kolkata



#### The key financial and operational metrics of the Initial Portfolio:

	Kensington	Candor Techspace G2	Candor Techspace N1	Candor Techspace K1	CIOP	Initial Portfolio
Type of Asset	SEZ	SEZ	IT Park	SEZ & Mixed Use	-	-
Completed Area (msf)	1.5	3.9	1.9	3.1	-	10.3
Under Construction Area (msf)	-	-	0.1	-	-	0.1
Future Development Potential (msf)	-	0.1	0.9	2.7	-	3.7
Total Area (msf)	1.5	4.0	2.8	5.7	-	14.0
Committed Occupancy (%)	86%	91%	72%	92%	-	87%
Same Store Committed Occupancy	NA	NA	97%	NA	-	92%
Area Leased (msf)	1.3	3.5	1.3	2.8	-	8.9
WALE (years)	3.0	8.0	7.6	7.6	-	7.1
Average in-place rent ₹/psf/month	90	78	45	42	-	62
FY20 Revenue from operations (₹ in Cr)	161.64	408.43	131.75	224.67	30.21	956.71
H1FY2021 Revenue from operations (₹ in Cr)	79.59	194.70	62.92	108.34	9.59	455.14
FY23 NOI (₹ Cr)	158.0	321.3	134.2	167.3	37.8	818.6
Market Value (₹ in Cr)	2,537.4	4,358.2	1,973.6	2,538.2	-	11,407.4
% of Initial Portfolio Market Value	22.2%	38.2%	17.3%	22.3%	-	100.0%

## Selected operational information:

Key Asset Information	Initial Portfolio			
	Kensington	Candor Techspace G2	Candor Techspace N1	Candor Techspace K1
Asset SPV	Festus Properties	Candor Kolkata One Hi-Tech Structures	Shantiniketan Properties	Candor Kolkata One Hi-Tech Structures
Year of Acquisition	2019	2015	2015	2015
Land Size (Acres)	8.96	28.53	19.25	48.38
Land Ownership	Freehold	JDA-GIL	Leasehold	Freehold
Completed Buildings	1	13	6	12
Number of Tenants	11	49	38	40

JDA-GIL =Joint Development Agreement with GIL

Asset	Asset Description	Completed Area (msf)	Under Construction Area (msf)	Future Development Potential (msf)	Leasable Area (msf)
<b>Identified Assets:</b>					
Candor Techspace G1	High quality campus office developments in Gurugram	2.8	0.9	0.1	3.7
Candor Techspace N2	Multi-tenanted office SEZ in Noida	2.9	0.8	0.8	4.5
<b>Total</b>		<b>5.7</b>	<b>1.7</b>	<b>0.8</b>	<b>8.3</b>
<b>ROFO Properties:</b>					
Powai Business District (14 non-SEZ buildings)	Portfolio of prime office and high street retail properties at Powai	2.8	-	1.2	4.0
Equinox Business Park	Campus-style business park located just off-BKC	1.3	-	-	1.3
Waterstones (hotel, club and undeveloped vacant land)	Greenfield development of office campus near Mumbai International Airport	-	1.3	-	1.3
Units in Godrej BKC (two floors)	Commercial office space in BKC, Mumbai's central business district	0.2	-	-	0.2
<b>Total</b>		<b>4.2</b>	<b>1.3</b>	<b>1.2</b>	<b>6.7</b>

## VALUATION SUMMARY

Value Summary as on 30<sup>th</sup> September 2020

Asset Name	Leasable Area (Million sq. ft)*			Market Value (₹ Cr)^		
	Completed	Under-construction	Future development Potential	Completed	Under construction/future Development Potential	Total
<b>Initial Portfolio</b>						
Candor Techspace G2	3.86	NA	0.10	4,302.2	56.0	4,358.2
Candor Techspace N1	1.85	0.08	0.87	1,672.3	301.3	1,973.6
Candor Techspace K1	3.06	NA	2.68	2,100.1	438.1	2,538.2
Kensington	1.54	NA	NA	2,537.4	NA	2,537.4
<b>Total</b>	<b>10.31</b>	<b>0.08</b>	<b>3.65</b>	<b>10,611.9</b>	<b>795.4</b>	<b>11,407.4</b>

\* Based on Architect's Certificate; ^ Property has a 28% JDA interest structured as a revenue share to landowner. The valuation is only for the interest of Brookfield India REIT in the property.

## INDUSTRY OVERVIEW:

## Overview of Indian Office Market

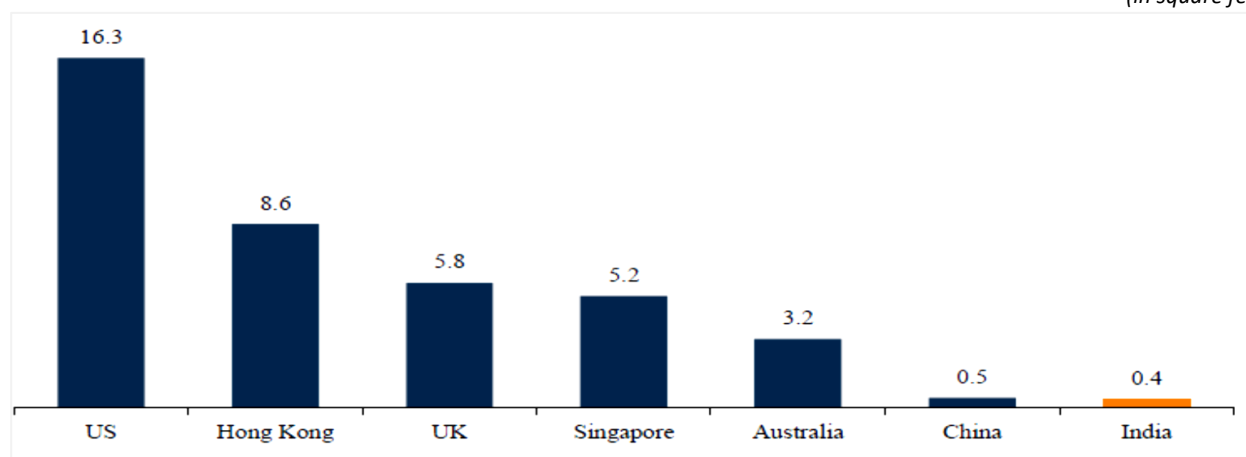
India's office real estate landscape has significantly evolved over the last decade. The focus of developers on Grade-A commercial developments, backed by institutional capital and increasing demand from multinational tenants, has led to the onset of campus developments. Multinational tenants have a strong preference for such developments due to a well-curated amenity mix and better employee experience. As a consequence, these campuses operate at lower vacancies and above average rental levels as compared to the micro-market in which they are located.

Grade-A office stock in Chennai, Mumbai, Pune, Hyderabad, Bengaluru, NCR and Kolkata (collectively referred to as "Top 7 Indian Markets") has grown at a CAGR of 10.8% between 2008 and Q3 2020 and was approximately 510 msf<sup>3</sup>

as of September 30, 2020. The growth of supply in the Top 7 Indian Markets is yet catching up to the demand for quality office space. Between 2015 and Q3 2020, these markets have seen a total net absorption of approximately 168.6 msf. Although India's office markets are well established, India's per capita office stock of 0.4 sf is minimal compared to developed markets.

### Per Capita Office Stock

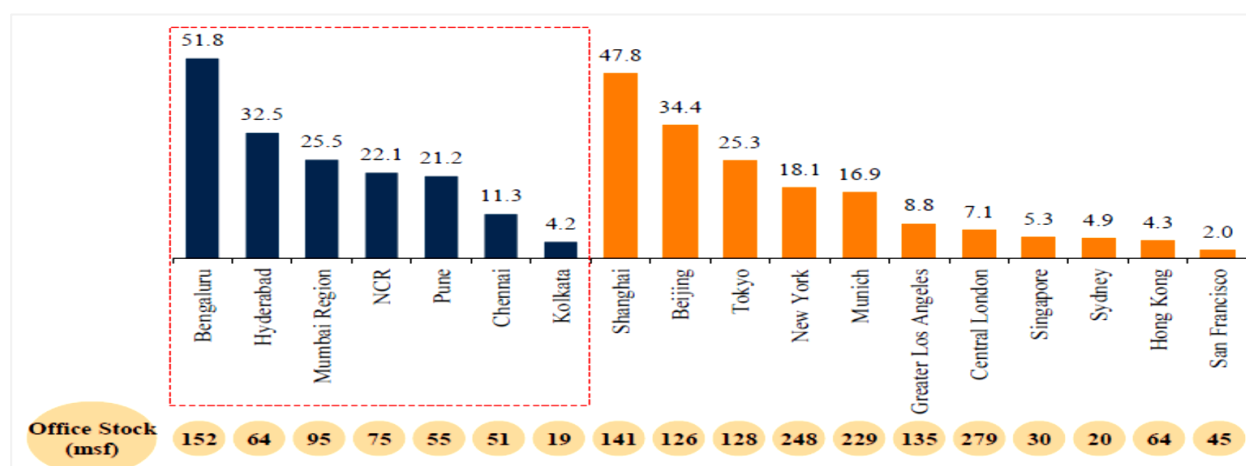
(in square feet)



### Comparison between Key Indian and Select Global Cities

#### Indian Office Market Present Significant Growth Potential

(Net Absorption in msf between 2015 and Q3 2020)



Note: Only the relevant stock of NCR and Kolkata has been considered for this analysis which excludes the buildings less than 100,000 square feet and applying certain other criteria. Additionally, for Noida and Kolkata, non-IT buildings have been excluded from stock.

### Rentals and Valuations continue to be attractive for Indian Markets

(Rentals in US\$ psf per month)

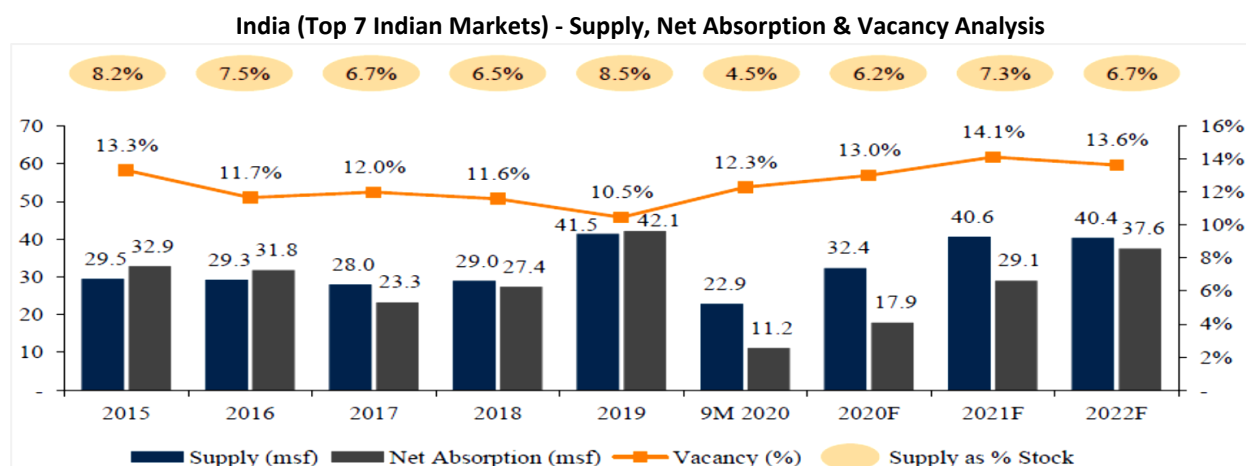


Note: Capitalization rates and Capital values (US\$ psf) are reported for respective countries as of March 31, 2020.

### Top 7 Indian Office Markets Trend Analysis

Approximately 180 msf of new supply had been delivered in the Top 7 Indian Markets between 2015 and Q3 2020. The net absorption was largely in line with the supply and reached a total of approximately 168.6 msf during the same period. The average annual net absorption between 2015 and Q3 2020 was approximately 29 msf.

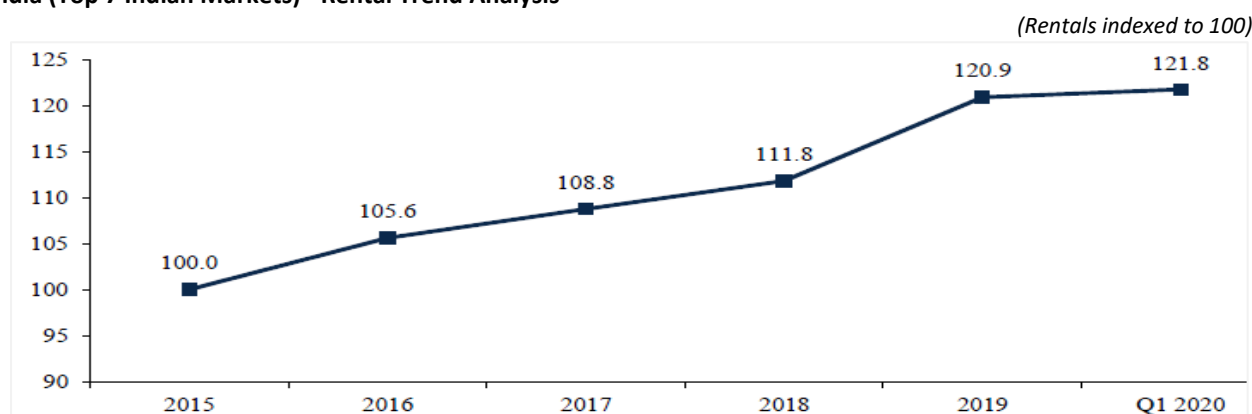
Between Q4 2020 to 2022, additional supply of approximately 90.5 msf is expected to be delivered in the Top 7 Indian Markets, of which approximately 73.4 msf is expected to be absorbed translating into a forecasted vacancy of 13.6%. The following graph sets forth the supply, absorption and vacancy trends for Top 7 Indian Markets:



### Rental Analysis

The combined rentals in the Top 7 Indian Markets have grown at a CAGR of 4.2% between 2015 and Q3 2020. The following chart sets forth rental trend analysis for the Top 7 Indian Markets:

### India (Top 7 Indian Markets) - Rental Trend Analysis



### Brookfield REIT Markets

The Brookfield REIT comprises of Grade-A commercial assets located in four major cities - Mumbai, Gurugram, Noida and Kolkata. These cities have exhibited strong economic fundamentals, healthy demand across sectors and quality supply addition of office space which are critical drivers for real estate sector.

The key highlights of the Brookfield REIT Markets:

Particulars	Mumbai	Gurugram	Noida	Kolkata
Total completed stock (Q3 2020)	94.7 msf	35.0 msf	14.5 msf	6.9 msf
Current occupied stock (Q3 2020)	77.1 msf	30.9 msf	12.4 msf	6.4 msf
Current vacancy (Q3 2020)	18.6%	11.9%	14.4%	7.9%
Average annual net absorption (2015 – Q3 2020)	4.4 msf	1.7 msf	0.8 msf	0.2 msf
<b>Future supply (Q4 2020E – 2022E)</b>	<b>13.0 msf</b>	<b>6.3 msf</b>	<b>1.9 msf</b>	<b>0.0 msf</b>

*Note: Only the relevant supply of Gurugram, Noida and Kolkata has been considered for this analysis excluding the buildings less than 100,000 square feet, strata owned office developments and applying certain other criteria. Additionally, for Noida and Kolkata, non-IT buildings have been excluded from supply.*

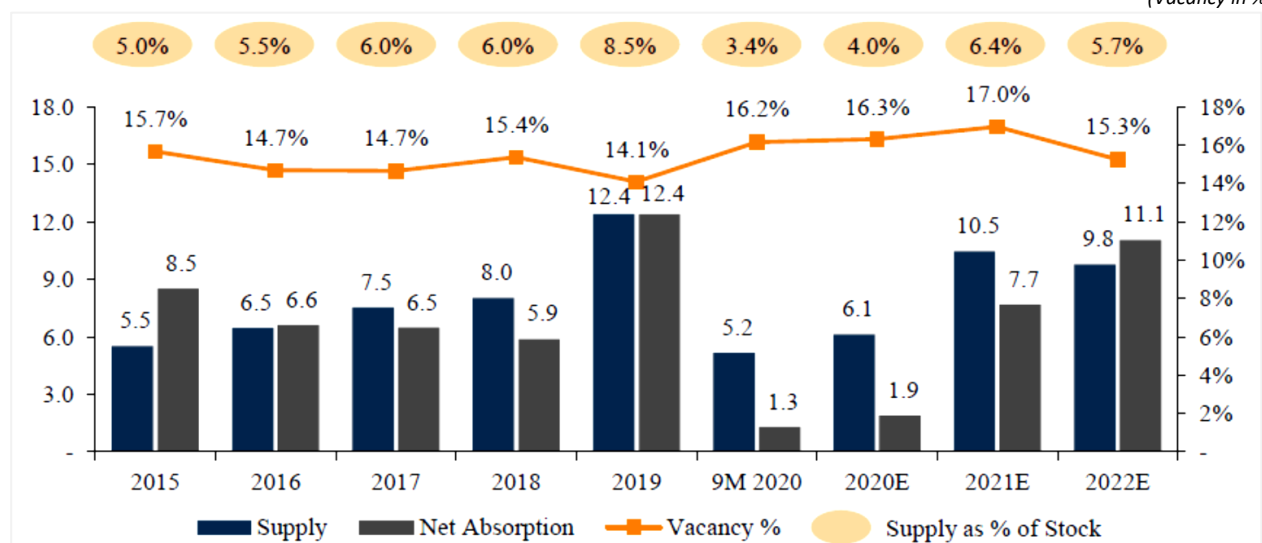


## Supply, Absorption, Vacancy Trends in the Brookfield REIT Markets

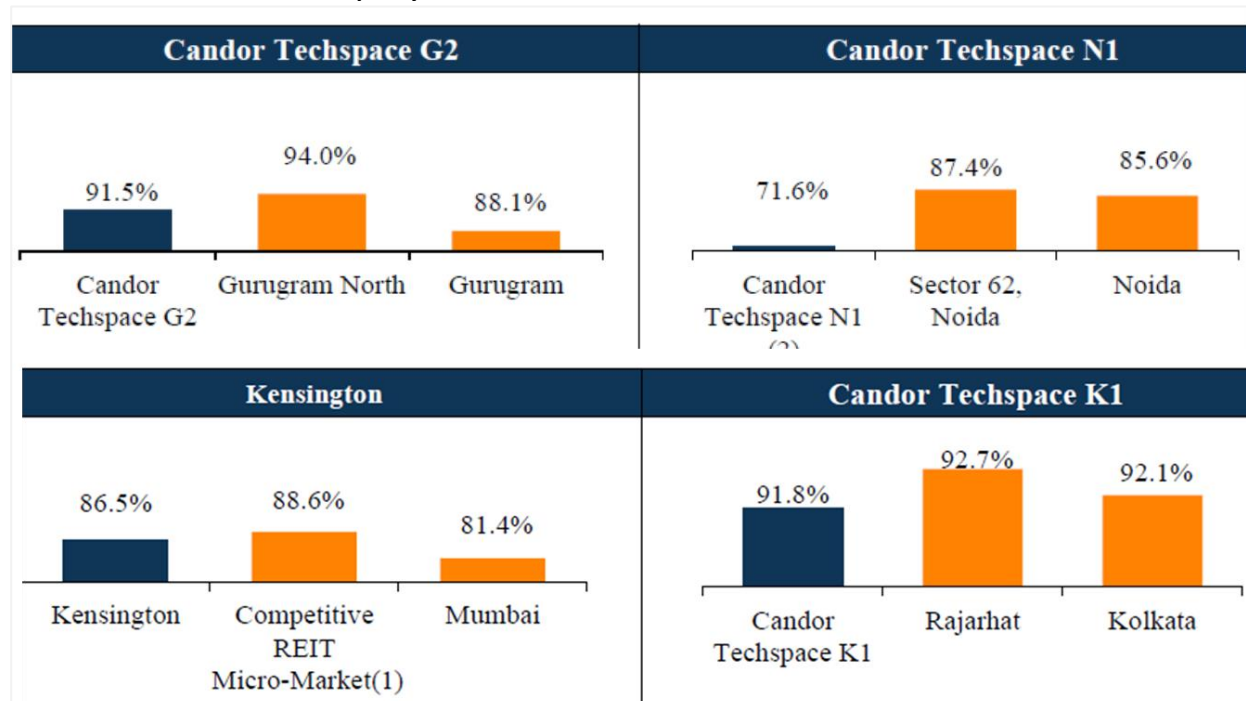
The Brookfield REIT Markets have exhibited strong market dynamics with robust absorption and limited high-quality supply resulting in lower vacancy levels and robust rental growth during the last 5 years.

## Brookfield REIT Markets - Office Market Trends

(Vacancy in %)



## Brookfield REIT Markets – Occupancy Trends



## Note:

1. Competitive REIT micro-market for Kensington comprises Andheri, Powai, Malad, Goregaon and eastern suburbs.
2. As on Q1 2020, Candor Techspace N1 occupancy was 100%, sector 62, Noida had 95.6% occupancy and Noida had 91.7% occupancy.
3. Only the relevant supply has been considered for this analysis which excludes the buildings less than 100,000 square feet and applying certain other criteria. Strata owned office stock in Gurugram, Noida and Kolkata have been excluded from supply. Additionally, for Noida and Kolkata, non-IT buildings have been excluded from supply.
4. Occupancies reported as of September 30, 2020.

## COMPETITIVE STRENGTHS

- ***Global Sponsorship with Local Expertise***

Brookfield REIT is sponsored by an affiliate of Brookfield Asset Management (“BAM”), one of the world’s largest alternative asset managers and investors, with assets under management of approximately US\$575 billion across real estate, infrastructure, renewable power, private equity and credit, and a global presence of over 150,000 operating employees across more than 30 countries, as of September 30, 2020. BAM is listed on the NYSE and TSX and has a market capitalization of over US\$63 billion, as of September 30, 2020.

Brookfield REIT’s long-term success in executing its strategy will be supported by Brookfield’s extensive local market and asset knowledge in India. Brookfield has had a decade-long presence in India and manages a portfolio of approximately US\$17 billion across real estate (US\$4.6 billion), infrastructure (US\$9.7 billion), renewable power (US\$0.6 billion) and private equity (US\$2.1 billion), as of September 30, 2020. This portfolio in India provides valuable real-time, proprietary market data that they expect will enable them to identify and act on market conditions and trends more rapidly than their competitors.

**In December 2020, the Brookfield Group acquired all the outstanding equity interest of several entities that collectively owned a 12.8 msf high quality office portfolio and were part of the RMZ Corp group, for approximately US\$2 billion.** The portfolio primarily comprises office parks in Bengaluru and Chennai and includes prominent properties such as Ecoworld, Ecospace and Millenia.

Their Unit-holders will benefit from its ability to leverage Brookfield’s extensive network of relationships, its deep capital markets experience, operating expertise, a demonstrated track record of managing capital and its commitment of resources to their Manager. Brookfield REIT also expects to benefit from access to Brookfield’s risk management, accounting, cash management and compliance policies. Further, they have structured the fees of its Manager to be simple and low, while closely aligning with the interests of their Unit-holders.

- ***Difficult to Replicate, Dominant and Strategically Located Properties***

Brookfield REIT’s office parks are among the highest quality office parks in India, distinguished by their size and scale and located in the key gateway markets of Mumbai, Gurugram, Noida and Kolkata. Their office parks are modern and recently built, with a median age of 7 years for their Initial Portfolio, and require limited on-going maintenance capital expenditures. Their office parks are very difficult to replace today on a cost-competitive basis, if at all.

- ***Placemaking Capabilities***

Placemaking is ingrained in their Manager and Sponsor’s design, development and operating philosophy, enabling them to provide its tenants with a unique “service-based experience”.

The size and scale of its fully-integrated office parks allows them to deliver an all-encompassing workspace ecosystem to its tenants with modern infrastructure and amenities, including daycare facilities, premium F&B outlets, convenience shopping kiosks, shuttle services, multi-cuisine food courts and sports and fitness facilities, which further create an empowering and vibrant work environment for its tenants’ employees and elevates their properties to have a positive impact on its communities.

As a result of the characteristics of its offerings, several tenants have relocated from other commercial properties to its office parks.

Brookfield REIT’s properties are built for institutional tenants who have contemporary workspace requirements. This drives tenant retention as relocation by its tenants may result in high switching costs for them and their employees. Further, its campus-format large integrated parks provides a unique value proposition to its blue chip tenants who have specific needs to house multiple functions and teams out of a single office premises, evident from its 2.0 msf expansion examples in Brookfield Group’s ownership and management since April 1, 2015.



- ***Diversified Blue Chip Tenant Roster and Cash Flow Stability***

Brookfield REIT's office parks are "business-critical" to their tenants and their employees. In its Initial Portfolio, 75% of Gross Contracted Rentals are contracted with multi-national corporations such as Barclays, Bank of America Continuum, RBS, Accenture, Tata Consultancy Services and Cognizant.

Brookfield REIT's tenants operate in a diverse range of industries such as technology, financial services, consulting, analytics and healthcare. Their Initial Portfolio's Committed Occupancy has been above 94% at the end of the last 4 financial years, highlighting the stability of the business. During the period between April 1, 2015 and September 30, 2020, in-place rents psf have grown at a CAGR of 4.8%, demonstrating the healthy rental growth achieved on the Initial Portfolio. Through its own dedicated property managers and local expertise, its Manager has developed deep tenant relationships which combined with Brookfield's global institutional relationships, has led to 4.3 msf of total leasing and an 85% tenant retention rate since April 1, 2015. Further, they provide services including property management, facilities management and support services to their Initial Portfolio, either internally or through CIOP, its wholly owned subsidiary.

- ***Significant Identified Internal and External Growth Opportunities***

The value of Brookfield REIT's real estate assets will have two sources of growth. The first is expected through opportunities to increase NOI from its Initial Portfolio, and the second is expected to be through acquisition of additional properties.

Brookfield has extensive local market knowledge and a global network of relationships, and its access to Brookfield will provide opportunities for organic growth, as well as growth through acquisitions from third parties.

- ***Experienced, Cycle-Tested Senior Management Team***

All properties in its Initial Portfolio, prior to the Offering, are owned and managed, directly and indirectly, by affiliates of BAM. As such, their Manager's team has deep domain knowledge and experience in managing these properties and has demonstrated a robust track record in delivering value. Since April 1, 2015, their Manager has leased 4.3 msf and delivered 3.1 msf of "on-campus" Completed Area within the Initial Portfolio.

Its Manager is highly regarded in the real estate community and has extensive relationships with a broad range of tenants, brokers and lenders. Led by Alok Aggarwal (the Managing Director and CEO – India office business of the Manager), its Manager's team consists of 44 dedicated experienced professionals, as of September 30, 2020.

The team has in-depth experience in real estate investments, asset management, research and property management, with the key managerial personnel and core team having an average of more than 25 years of experience in the real estate industry in India. As such, its Manager has operating and investing experience through multiple real estate cycles, which provides valuable insight and perspective into the portfolio management of its current office parks as well as underwriting new investments for them.

- ***Institutional Corporate Governance Framework and Strong Alignment of Interest***

Brookfield REIT's governance structure reflects a rigorous approach to corporate governance, taking into account the interests of their Unit-holders while leveraging their relationship with Brookfield, which has a strong track record of high standards of governance. BAM is listed on the NYSE and TSX and they benefit significantly from Brookfield's strong corporate governance standards.

The governance structure is based on the following pillars that enable it to align and commensurately represent the interests of all its stakeholders:

- Significant level of Sponsor Group ownership in the Brookfield REIT (on a post-Offer basis) creates an alignment with the interests of Unit-holders;
- Entirely performance-linked fee structure for its Manager;
- Balanced board composition of their Manager between independent and Brookfield directors;
- Robust related party transaction policies to facilitate arms-length evaluation of acquisition and divestment decisions, in line with global best practices and "majority of minority" approvals required;

- Commitment to ESG practices including installation of health infrastructure, focus on sustainability initiatives and activities that have a positive impact on the communities in which they operate; and
- Anti-bribery and anti-corruption policies in line with international standards.

## KEY BUSINESS AND GROWTH STRATEGIES

### • *Leveraging Brookfield and its Manager's Operating Expertise for Proactive Asset and Property Management*

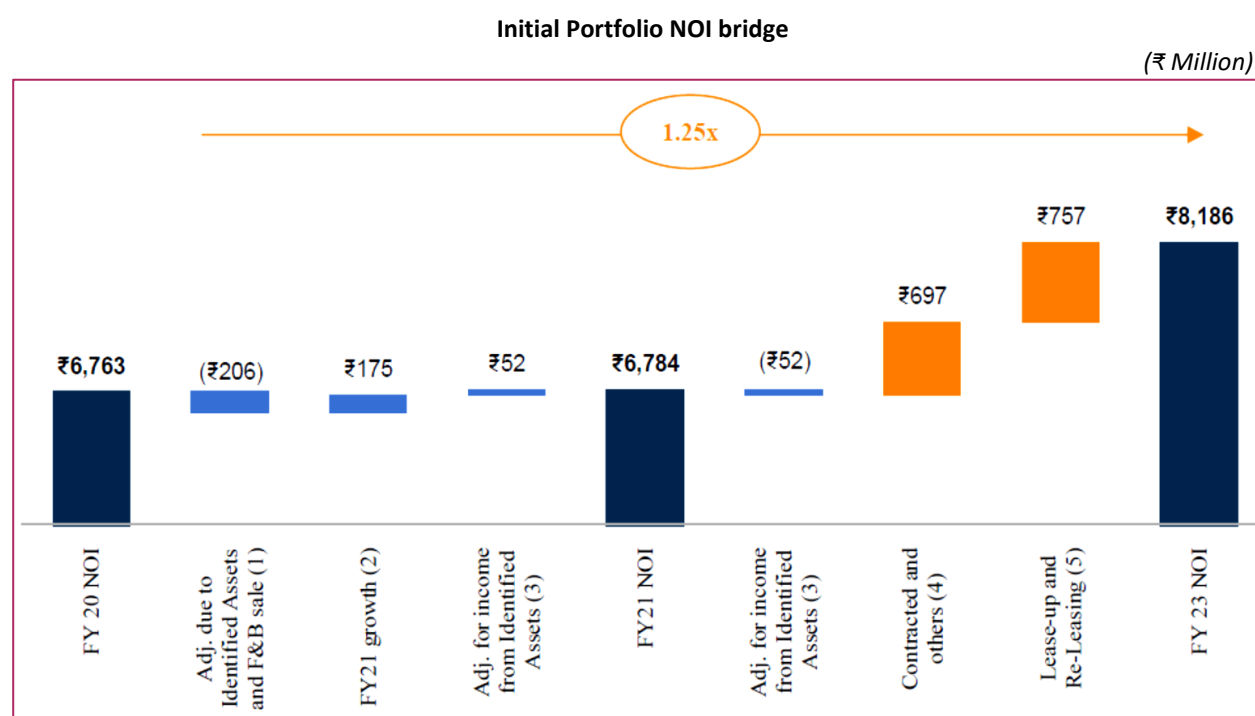
Brookfield REIT leverages Brookfield and their Manager's place-making capabilities, comprehensive building management services and strong commitment to tenant satisfaction and relationships to attract high-quality tenants and negotiate attractive lease terms.

Their Manager proactively manages its rent roll and maintains continuous communication with its tenants through various initiatives and tenant engagement programs. Brookfield REIT also benefits from Brookfield's global relationships with marquee tenants as well as strong in-house asset management capabilities to meet the evolving requirements of existing and prospective tenants.

### • *Capitalize on the Initial Portfolio's Embedded Organic Growth and On-Campus Development Potential*

Brookfield REIT's Initial Portfolio is well positioned to achieve high organic growth through in-built contractual escalations, re-leasing to existing tenants at market rents (in-place rents have average 36% mark to market potential), lease-up of existing vacancy (1.3 msf), and on-campus development (3.7 msf of Future Development Potential). Between FY2020 and FY2023, the NOI of its Initial Portfolio (net of one-time adjustment) is projected to increase by 25% as reflected in the chart below.

### Significant Embedded Organic NOI Growth Potential



Source: RHP

### Contracted and others

The leases for their Initial Portfolio are generally long-term, ranging up to fifteen years, which provides visibility on the growth of their future cash flows. A majority of these leases have built-in escalations of either 12% to 15% every 3 years. Over the Projections Period, contracted lease terms will generate additional NOI of ₹69.7 crore representing 48% of the total increase in the NOI (net of one-time adjustment).

*Lease up of vacant area and under construction area*

As of March 31, 2020, the Initial Portfolio had vacant and leasable space of 1.3 msf (of which 0.5 msf is the recently completed tower in Candor Techspace N1) which can be leased out in the near term. The Projections Period also includes contribution from 0.1 msf of Under Construction Area at Candor Techspace N1. Due to long-term nature of leases and strong market rent growth, market rents are 36% above the in-place rentals for their Initial Portfolio.

This lease-up of vacant area and under construction area, and re-lease of expiring area are together expected to generate additional NOI of ₹75.7 crore by FY 2023 (net of other adjustments as noted above including ₹27 crore of Ind-AS adjustments and vacancy allowance), representing 52% of the total increase in NOI (net of onetime adjustment).

*Future on-campus development*

Further, its Initial Portfolio has a Future Development Potential of 3.7 msf, of which 0.1 msf is at Candor Techspace G2 and 0.9 msf is at Candor Techspace N1. The remaining 2.7 msf is located in Candor Techspace K1 (of which 1.7 msf can be developed as mixed-use including commercial office, retail and/or serviced apartments), which will be developed based on strategic and commercial considerations. On November 19, 2020, Candor Kolkata and GIL entered into a joint development agreement for developing 0.52 msf of commercial-cum-retail development out of the total Future Development Potential of 2.7 msf. The Manager expects to continue the development with a focus on pre-leasing and build-to-suit demand.

- **Pursue Disciplined and Accretive Acquisition Growth Opportunities**

Brookfield REIT intends to acquire high quality assets that complement and enhance its Initial Portfolio. In order to provide certain visibility of growth to the Unit-holders, Brookfield has agreed to provide:

- rights to acquire the Identified Assets pursuant to the Agreements to purchase; and
- rights of first offer to acquire the ROFO Properties pursuant to the ROFO Agreements.

*High certainty and visible growth from the Identified Assets*

Brookfield REIT has rights to acquire 2 properties owned by members of the Brookfield Group in its existing micro-markets of Gurugram and Noida. Their Manager, subject to Unit-holder approval, has sole discretion to acquire either or both of the Identified Assets.

*Further potential growth from Right of First Offer (ROFO) Pipeline*

Brookfield REIT also holds ROFOs over 4 existing real estate assets in Mumbai owned by members of the Brookfield Group, with a Leasable Area of 6.7 msf. This ROFO pipeline provides the potential to add prime high quality commercial properties in Mumbai to its portfolio and become one of the largest owners of completed commercial assets in one of India's premier gateway cities while driving distributions growth for its Unit-holders. The ROFO pipeline is in line with its growth strategy of fortifying its presence in the markets in which they have an established presence and track record.

The ROFO may be exercised at any time during the period of 5 years following the date on which the Units are listed and commence trading on the Stock Exchanges.

- **Prudent and Flexible Capital Structure Positioned for Growth.**

Brookfield REIT will employ a prudent capital management strategy and seek to maintain a prudent capital structure, which will enable them to:

- maintain a strong balance sheet to facilitate future acquisitions and also undertake asset enhancement initiatives to increase useful life of the office parks;
- optimize cost of capital through diversification of sources of capital including different types of lenders, and nature and structure of debt and equity instruments; and
- maximise net distributions to the Unit-holders.

Post the utilization of the net proceeds from the Offer, its total outstanding indebtedness in principal amount is expected to be less than 20% of the initial Market Value, which compares favourably to the 49% threshold

permissible under the REIT regulations with Unit-holders' approval. A conservative leverage profile provides them the flexibility to fund future acquisitions with a desirable mix of debt and equity to facilitate value accretive growth for them and their Unit-holders.

## PROJECTION

### **Projected Operating Lease Rentals, Revenue from Operations, Net Operating Income, EBITDA, Cash Flow and Net Distributable Cash Flow:**

(₹ In Cr)

Project	Operating Lease Rental			Revenue from Operations			Net Operating Income		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Kensington	141.4	161.9	163.9	157.8	181.3	183.6	134.0	156.7	158.0
Candor Techspace G2	252.1	274.5	289.5	380.2	419.0	460.3	280.2	300.3	321.3
Candor Techspace N1	77.3	104.3	116.0	126.3	168.8	202.3	87.9	117.6	134.2
Candor Techspace K1	136.3	140.5	146.2	213.2	230.6	256.2	148.3	156.2	167.3
CIOP	-	-	-	38.4	52.2	52.9	28.0	38.2	37.8
Less: Adjustment for CIOP	-	-	-	(38.4)	(52.2)	(52.9)	-	-	-
CIOP revenue from Identified Assets	-	-	-	9.6	-	-	-	-	-
<b>Total</b>	<b>607.1</b>	<b>681.2</b>	<b>715.6</b>	<b>887.1</b>	<b>999.7</b>	<b>1102.4</b>	<b>678.4</b>	<b>769.0</b>	<b>818.6</b>

Note: Refer accompanying notes in offer document forming an integral part of the projected financial information

Project	EBITDA			Cash Flow			Net Distributable Cash Flow		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Kensington	123.9	148.0	149.0	121.6	174.1	151.5	15.5	137.8	111.8
Candor Techspace G2	276.6	295.9	316.6	220.6	300.9	327.9	-	-	-
Candor Techspace N1	83.6	112.4	128.7	93.7	112.6	136.4	19.4	105.3	124.7
Candor Techspace K1	148.0	151.0	161.9	125.5	147.8	177.9	-	-	-
Candor Techspace G2 and Candor Techspace K1	-	-	-	-	-	-	87.8	414.1	461.4
CIOP	6.1	17.7	16.0	55.7	11.8	11.3	1.3	11.8	11.3
Less: Trustee Fees	(0.1)	(0.3)	(0.3)	(0.1)	(0.3)	(0.3)	(0.1)	(0.3)	(0.3)
Less: REIT Management Fees	(1.2)	(6.7)	(7.1)	(1.2)	(6.7)	(7.1)	(1.2)	(6.7)	(7.1)
<b>Total</b>	<b>636.9</b>	<b>718.0</b>	<b>764.8</b>	<b>615.8</b>	<b>740.2</b>	<b>797.6</b>	<b>122.7</b>	<b>662.0</b>	<b>701.8</b>

Note: Refer accompanying notes in offer document forming an integral part of the projected financial information

## DISTRIBUTION POLICY

In terms of the REIT Regulations, not less than 90% of the *Net Distributable Cash Flows* ("NDCF") of its Asset SPVs are required to be distributed to Brookfield REIT, in proportion of its shareholding in its Asset SPVs, subject to applicable provisions of the Companies Act. The cash flows receivable by Brookfield REIT may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from its Asset SPVs/ CIOP, sale proceeds out of disposal of investments of any or assets directly/ indirectly held by Brookfield REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the applicable laws.

At least 90% of the NDCFs of Brookfield REIT ("REIT Distributions") shall be declared and paid once every quarter of a Financial Year by their Manager. **The first distribution shall be made upon completion of the first full quarter after the listing of its Units on the Stock Exchanges.** Further, in accordance with the REIT Regulations, REIT Distributions shall be made no later than 15 days from the date of such declarations. The REIT Distributions, when made, shall be made in Indian Rupees.

The NDCFs shall be calculated in accordance with the REIT Regulations and any circular, notification or guidelines issued thereunder including the SEBI Guidelines.

## REIT TAXATION FRAMEWORK

### Tax benefits available to the unit holders of the Brookfield India REIT

#### *Special benefits available to all the unit holders of the Brookfield India REIT*

As per the provisions of section 10(23FD), any income referred to in section 115UA(1) of the Act and distributed by the Brookfield India REIT shall not be included in the total income of the unit-holders except for the following income:

- a) Rent income referred to in section 10(23FCA);
- b) Interest referred to in section 10(23FC);
- c) Specified dividend i.e. dividend income received in cases where SPV has exercised the option under section 115BAA of the Act:

As per the provisions of section 115UA(1) of the Act, the income distributed by Brookfield India REIT shall be deemed to be of the same nature and in the same proportion in the hands of the unit-holder as if such income was received by or accrued to Brookfield India REIT, and is taxed in the unit holders' hands based on their residential status as follows:

- **For a resident unit-holder**
  - Tax rate applicable to a resident, to the extent that the distribution takes the character of interest, rental income or specified dividend (i.e. dividend distributed by Brookfield India REIT where such dividend is received from SPV which has exercised the option under section 115BAA of the Act); and
  - Any other income taxable in the hands of Brookfield India REIT is exempt in the hands of unit-holders
- **For a non-resident unit holder**
  - 5% (plus applicable surcharge and cess), to the extent that the distribution takes the character of interest income;
  - At tax rate applicable to the non-resident under the Act, depending on its constitution, to the extent that the distribution takes the character of rental income;
  - 20% (plus applicable surcharge and cess), to the extent distribution takes the character of dividend income where such dividend is received from SPV which has exercised the option under section 115BAA of the Act;
  - Any other income taxable in the hands of Brookfield India REIT is exempt in the hands of unit-holders
  - Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.

#### *General tax benefit available to all the unit holders of Brookfield India REIT*

- **For resident unit holder**

**Long Term Capital Gains** (exceeding 1 lakh rupees) arising on transfer of units of Brookfield India REIT through a recognized stock exchange, on which STT is paid, shall be chargeable to tax in the hands of the unit holders at a rate of **10% without indexation benefit** (plus applicable surcharge and cess) under section 112A of the Act if the said units are long-term capital assets.

The determinative period of holding for such units to qualify as long-term capital asset is more than 36 months. Income arising on transfer of units of Brookfield India REIT that are long term capital assets, which is not through a recognized stock exchange and not subject to STT, shall be chargeable to tax at 20%, with indexation benefit (plus applicable surcharge and cess) under section 112 of the Act.

**Short-term capital gains** arising on transfer of the units of Brookfield India REIT will be chargeable to **tax at the rate of 15%** (plus applicable surcharge and cess) as per the provisions of section 111A of the Act provided such transaction is subject to STT and through a recognized stock exchange.

Short term capital gains on transfer of units of Brookfield India REIT, not transacted through a recognized stock exchange and not subject to STT shall be taxable at the applicable rate of tax for respective unit holders.

In case of determining the period of holding for units allotted pursuant to exchange of shares of special purpose vehicle, as per clause (hc) of explanation 1 to section 2(42A), the period of holding for the units shall include the period for which the shares were held by the promoter in the SPV.

- **For non-resident unit holder**

**Long Term Capital Gains** (exceeding 1 lakh rupees) arising on transfer of units of Brookfield India REIT, shall be chargeable to tax in the hands of the unit holders at a rate of **10% without indexation** benefit (plus applicable surcharge and cess) under section 112A of the Act if the said units are long-term capital assets and transfer is through a recognized stock exchange and subject to STT.

**Short-term capital gains** arising on transfer of the units of Brookfield India REIT will be chargeable to tax at the rate of **15%** (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to STT.

Short term capital gains on transfer of units of Brookfield India REIT, not transacted through a recognized stock exchange and not subject to STT shall be taxable at the applicable rates for respective unit holders.

Short Term Capital Loss computed for the given year is allowed to be set-off against Short Term/ Long Term Capital Gains computed for the said year under section 70 of the Act. Further, as per Section 71 of the Act, short term capital loss for the year cannot be set-off against income under any other heads for the same year. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

**(For detail tax structure please refer offer document).**

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