Mindspace Business Parks REIT

(Registered in the Republic of India as a contributory, determinate and irrevocable trust on November 18, 2019 at Mumbai under the Indian Trusts Act, 1882 and as a real estate investment trust on December 10, 2019 at Mumbai under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, having registration number IN/REIT/19-20/0003)

Principal Place of Business: Raheja Tower, Level 8, Block 'G', C-30, Bandra Kurla Complex, Mumbai - 400 051
Tel: +91 2656 4000; **Fax**: +91 22 2656 4747; **Compliance Officer**: Vishal Kumar
E-mail: reitcompliance@mindspacereit.com; **Website**: www.mindspacereit.com

TRUSTEE	SPONSORS		MANAGER
Axis Trustee Services Limited	Cape Trading LLP	Anbee Constructions LLP	K Raheja Corp Investment Managers LLP

ADDENDUM TO THE DRAFT OFFER DOCUMENT DATED DECEMBER 31, 2019 - NOTICE TO INVESTORS

This is in relation to the initial offer of units of Mindspace Business Parks REIT ("**Mindspace REIT**" and such units, the "**Units**") for an amount aggregating up to ₹ [●] million consisting of a fresh issuance of up to [●] Units by Mindspace REIT aggregating up to ₹ 10,000 million ("**Fresh Issue**") and an offer for sale of up to [●] Units by the Selling Unitholders aggregating up to ₹ [●] million ("**Offer for Sale**" and together with the Fresh Issue, the "**Offer**") and the draft offer document dated December 31, 2019 ("**Draft Offer Document**") filed with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and The National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). Potential investors may note the following:

1. The Draft Offer Document currently includes projections of facility rentals, revenues from operations, net operating income, EBITDA, cash flows from operating activities and net distributable cash flows of Mindspace REIT for the Financial Years 2020, 2021 and 2022 ("**Projections Report**"). Due to lapse of time, current market and economic conditions on account of global outbreak of the Covid-19 pandemic and other considerations, the Projections Report has been updated to disclose the projected combined financial information of Mindspace REIT for the Financial Years 2021, 2022 and 2023 ("**Updated Projections Report**"). The Updated Projections Report has been included as an annexure to this notice and will be appropriately disclosed in the relevant section of the Offer Document and the Final Offer Document as and when filed with SEBI and the Stock Exchanges.

2. In order to assist the potential investors to get a complete understanding of the Updated Projections Report, the updated Condensed Combined Financial Statements (as of and for the Financial Years 2018, 2019 and 2020), the updated Summary Valuation Report (as of March 31, 2020) and the updated information under "*Forward Looking Statements", "Executive Summary*" and "*Industry Overview*" have also been included as annexures to this notice and will be appropriately disclosed in the relevant sections of the Offer Document and the Final Offer Document as and when filed with SEBI and the Stock Exchanges.

3. The Draft Offer Document in the section "*Use of Proceeds*" on page 324, states that as of September 30, 2019, ₹ 26,076 million was outstanding under loans provided by Gigaplex, MBPPL, Sundew, Intime and KRIT to certain KRC group entities ("**Group Loans**") and that such outstanding Group Loans were proposed to be repaid, together with the interest thereon, prior to the filing of the Offer Document with SEBI. The Manager and the Selling Unitholders have undertaken that they shall not proceed with the completion of the Offer if the outstanding Group Loans cannot be repaid from the proceeds of the Offer for Sale (through an escrow arrangement) or any other permitted means, including a loan from a bank or a financing institution. The outstanding Group Loans are now proposed to be repaid partly through the proceeds of a loan from a bank or a financing institution prior to the filing of the Offer Document with SEBI and the Stock Exchanges, and the balance portion through the proceeds of the Offer for Sale (to be made available by the KRC Selling Unitholders, as the case may be), through an escrow mechanism administered by the BRLMs, or any other permitted means, including a loan from a bank or a financing institution. Full and complete disclosure regarding the repayment of the Group Loans will be appropriately disclosed in the relevant sections of the Offer Document and the Final Offer Document as and when filed with SEBI and the Stock Exchanges.

The above is to be read in conjunction with the Draft Offer Document. The information in this notice supplements the Draft Offer Document and updates the information in the Draft Offer Document, as applicable. Please note that relevant changes pursuant to this "Addendum - Notice to Investors" will be appropriately included in the Offer Document and the Final Offer Document as and when filed with SEBI and the Stock Exchanges. All capitalized terms used in this notice shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Offer Document.

On behalf of **Mindspace Business Parks REIT**
K Raheja Corp Investment Managers LLP
Sd/-
Compliance Officer

Place: Mumbai
Date: June 25, 2020

Mindspace Business Parks REIT, acting through its Investment Manager, is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial offer of its Units representing an undivided beneficial interest in Mindspace REIT, and has filed the Draft Offer Document with SEBI and the Stock Exchanges. The Draft Offer Document is available on the website of SEBI at www.sebi.gov.in, BSE at www.bseindia.com, NSE at www.nseindia.com as well as on the websites of the Book Running Lead Managers at www.morganstanley.com, www.axiscapital.co.in, www.ml-india.com www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, www.jmfl.com, www.investmentbank.kotak.com, www.india.clsa.com, www.nomuraholdings.com/company/group/asia/india/index.html, www.ubs.com/indianoffers, www.ambit.co, www.hdfcbank.com, www.idfc.com/capital/index.htm and www.icicisecurities.com. Potential investors should note that investment in the Units involves a degree of risk, and for details relating to the same, should refer to the section "*Risk Factors*" of the Draft Offer Document and to the Offer Document as and when filed with SEBI and the Stock Exchanges. Potential investors should not refer to the Draft Offer Document filed with SEBI for making any investment decision.

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FORWARD-LOOKING STATEMENTS

The Addendum to the Draft Offer Document contains certain statements that are not statements of historical fact and accordingly, constitute "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "*aim*", "*anticipate*", "*believe*", "*continue*", "*can*", "*could*", "*estimate*", "*expect*", "*intend*", "*likely to*", "*may*", "*objective*", "*plan*", "*potential*", "*project*", "*propose*", "*pursue*", "*will continue*", "*seek to*", "*shall*", "*should*", "*will*", "*will pursue*", "*would*", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans, prospects or goals of Mindspace REIT and the Projections are also forward-looking statements. These forward-looking statements include statements as to the business strategy, plans, revenue and profitability (including, without limitation, any financial or operating forecasts) and other matters discussed in the Addendum to the Draft Offer Document that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

Further, please note that the Projections included in the Addendum to the Draft Offer Document are based on a number of assumptions. For details, see "*Projections*" beginning on page 4. The Summary Valuation Report and Industry Overview included in the Addendum to the Draft Offer Document are also based on certain estimates and projections and should be read together with assumptions and notes thereto. For details, see "*Summary Valuation Report – Assumptions, Disclaimers, Limitations & Qualifications to Valuation*" on page 193.

Actual results may materially differ from those suggested by the forward-looking statements or financial projections due to certain known or unknown risks or uncertainties associated with the Manager's expectations with respect to, but not limited to, the actual growth in the real estate sector, the Manager's ability to successfully implement the strategy, growth and expansion plans, technological changes, cash flow projections, the outcome of any legal or regulatory proceedings and the future impact of new accounting standards, regulatory changes pertaining to the real estate sector in India and our ability to respond to them, and general economic and political conditions in India which have an impact on our business activities or investments, changes in competition and the Manager's ability to operate and maintain the assets forming part of Mindspace REIT. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net income and NDCF could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of Mindspace REIT to differ materially include, but are not limited to, those discussed as part of "*Risk Factors*", "*Industry Overview*", "*Our Business and Properties*" and "*Management's Discussion and Analysis of Factors Affecting the Financial Condition and Results of Operations*". Important factors that would cause actual results to differ materially include but are not limited to the following:

- *The COVID-19 pandemic adversely affects our business, financial condition, results of operations, cash flows, liquidity and performance, and it may reduce the demand for commercial real estate in future.*
- *Our inability to consummate transactions in relation to management of the Portfolio, ROFO arrangement and the Formation Transactions will impact the Offer and our ability to complete the Offer within the anticipated time frame or at all.*
- *We will assume liabilities in relation to the Portfolio and these liabilities, if realised, may adversely affect our results of operations, cash flows, the trading price of the Units and our profitability and ability to make distributions.*
- *We may not be able to make distributions to the Unitholders in the manner described in the Draft Offer Document or at all, and the quantum of distributions may decrease.*
- *The REIT Regulations require us to adhere to certain investment conditions, which may limit our ability to acquire and/or dispose of assets.*
- *Regulatory framework governing REITs in India has been recently promulgated and is relatively untested.*

- *Our business and profitability depends on the performance of the commercial real estate market in India. Any fluctuations in market conditions may have an adverse effect on our business, results of operations and financial condition.*

- *A significant portion of our revenues are derived from a limited number of tenants. Any conditions that impact these tenants could adversely affect our business, results of operations and financial condition*.

- *Mindspace REIT has no operating history and we may not be able to operate our business successfully, achieve our business objectives or generate sufficient cash flows to make or sustain distributions. Further, the Condensed Combined Financial Statements may not accurately reflect our future financial position, results of operation and cash flows.*

- *The title and development rights or other interests over land where the Portfolio is located may be subject to legal uncertainties and defects, which may interfere with our ownership of the assets and result in us incurring costs to remedy and cure such defects.*

Forward-looking statements and financial projections reflect current views as of the date of the Addendum to the Draft Offer Document and are not a guarantee of future performance or returns to prospective investors. There can be no assurance that the expectations reflected within the forward-looking statements and financial information will prove to be correct. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information. In accordance with the REIT Regulations, the calculations and assumptions underlying the Projections have been certified by the Manager as well as the Auditors. The Projections have specifically been prepared for inclusion in the Addendum to the Draft Offer Document for the purposes of the Offer, using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur, and have been approved by the Governing Board of the Manager. Consequently, prospective investors are cautioned that the Projections may not be appropriate for purposes other than that described above. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements and Projections.

In any event, these statements speak only as of the date of the Addendum to the Draft Offer Document or the respective dates indicated in the Addendum to the Draft Offer Document, and Mindspace REIT, the Manager and the Book Running Lead Managers undertake no obligation to update or revise any of such statements, whether as a result of new information, future events or otherwise after the date of the Addendum to the Draft Offer Document. In the event any of these risks and uncertainties materialize, or if any of the Manager's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of Mindspace Business Parks Group could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to Mindspace REIT are expressly qualified in their entirety by reference to these cautionary statements.

All references to Offer Document in these sections shall include this Addendum to the Draft Offer Document and the Offer Document to be filed with SEBI.

PROJECTIONS

AUDITORS' REPORT ON PROJECTIONS OF MINDSPACE BUSINESS PARKS GROUP

To

The Governing Board,
K. Raheja Corp Investment Managers LLP (the "Investment Manager") in its capacity as an Investment Manager of Mindspace Business Parks REIT (the "Issuer" or the Trust")
Raheja Tower, Plot No. C-30, Block 'G',
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

1. We have examined the accompanying statement of projected facility rentals, statement of projected revenue from operations, statement of projected net operating income, statement of projected earnings before finance cost, tax, depreciation and amortization, statement of projected cash flows from operating activities and statement of projected net distributable cash flows and the underlying assumptions of the proposed Trust subsidiaries, Avacado Properties and Trading (India) Private Limited ('APTPL'), Gigaplex Estate Private Limited ('GEPL'), Horizonview Properties Private Limited ('HPPL'), Intime Properties Limited ('IPL'), KRC Infrastructure and Projects Private Limited ('KIPPL'), K. Raheja IT Park (Hyderabad) Limited ('KRIPL'), Mindspace Business Parks Private Limited ('MBPPL') and Sundew Properties Limited ('SPL') (collectively, the "Mindspace Business Parks Group " or the "SPVs") as described in note 1 of the projected combined financial information for the years ending March 31, 2021, 2022 and 2023 (collectively, hereinafter referred to as the "Projections"), in accordance with the Standard on Assurance Engagement 3400, "The Examination of Projected Financial Information", issued by the Institute of Chartered Accountants of India (ICAI). The preparation and presentation of the projections including the underlying assumptions and the basis of combination, set out in Note 1 to 9 to the Projections, is the responsibility of the Investment Manager and has been approved by the Governing Board of the Investment Manager. Our responsibility is to examine the evidence supporting the assumptions (excluding the hypothetical assumptions) and other information in the Projections. Our responsibility does not include verification of the accuracy of the projections. Therefore, we do not vouch for the accuracy of the same.

2. These projections have been prepared for the proposed initial public offering of units of the Trust in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended and the circulars and guidance issued thereunder ("REIT Regulations"). The projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and the Investment Manager's actions that are not necessarily expected to occur, as set out in Note 2 to the Projections and has been approved by the Governing Board of the Investment Manager. Consequently, users are cautioned that these projections may not be appropriate for purposes other than that described above.

3. We have carried out our examination of the Projections on a test basis. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Projections assuming the acquisition of the equity interest of the Trust Group by the Trust before March 31, 2021.

4. Further, in our opinion the Projections, read with the Basis of Preparation and notes therein, is properly prepared on the basis of the assumptions as set out in Note 1 to the Projections and on a consistent basis with the accounting policies used for preparation of the historical special purpose condensed combined financial statements which are prepared in accordance with the Guidance note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), as specified under SEBI (Real Estate Investment Trusts) Regulations, 2014 ("REIT Regulations"), as amended from time to time and the SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (SEBI Circular) and included in the draft offer document, offer document and the

final offer document (collectively, the “Offer Documents”). Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projections since other anticipated events frequently do not occur as expected and the variation may be material.

5. This report is required by REIT Regulations requiring the independent auditor to issue a report on the Projections and is issued for the sole purpose of the Offering in accordance with Indian REIT Regulations. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India, including in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. US securities regulations do not require profit forecasts to be reported on by a third party. This report should not be relied upon by prospective investors in the United States of America, including persons who are Qualified Institutional Buyers as defined under Rule 144A under the United States Securities Act of 1933 participating in the Offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation.

6. This report is addressed to and is provided to enable the Investment Manager to include this report in the Offer Documents in connection with the proposed initial public offer of units of the Trust and that the Projections may not be meaningful for any other purpose. Our report is intended solely for the purpose of inclusion in Offer Documents and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Reg. No. 117366W/W-100018)
Nilesh Shah
Partner
(Membership No.49660)
UDIN: 20049660AAAAAW9432

Mumbai
June 20, 2020

Statement of Projected Facility Rentals for Mindspace Business Parks Group[(1)]

(INR MM)	FY2021[(2)]	FY2022	FY2023
Mindspace Madhapur (Intime)	1,117	1,185	1,289
Mindspace Madhapur (Sundew)	3,000	3,801	4,032
Mindspace Madhapur (KRIT)	1,460	1,808	2,028
MBPPL	4,615	5,061	5,336
Mindspace Airoli East	2,801	3,081	3,221
Commerzone Yerwada	1,220	1,317	1,399
The Square, Nagar Road	502	562	608
Mindspace Pocharam	92	101	108
Gigaplex	1,654	2,117	2,795
Avacado	676	1,118	1,164
Paradigm Mindspace Malad	674	740	753
The Square, BKC	2	378	411
KRC Infra	802	1,135	1,639
Gera Commerzone Kharadi	802	1,135	1,639
Horizonview	58	484	579
Total	**13,382**	**16,709**	**18,862**

See accompanying notes forming part of the projected financial information

Notes:

(1) For the purpose of Projections, we have shown Facility rentals, Revenue from operations, NOI, EBITDA and Cash flow from operating activities of the Asset SPV while NDCF is shown post the adjustment of APIIC stake

(2) Manager has assumed Q1 FY2021 Base Rental collections at 95% and Q2 FY2021 collections at 97% to provide for rent waivers or deferments requested or as may be requested by certain tenants due to COVID-19

For and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
as Manager of the Mindspace Business Parks REIT

Ravi Raheja
Member of the Governing Board

Place: Mumbai
Date: June 20, 2020

Statement of Projected Revenue from operations for Mindspace Business Parks Group

(INR MM)	FY2021	FY2022	FY2023
Mindspace Madhapur (Intime)	1,343	1,434	1,542
Mindspace Madhapur (Sundew)	3,639	4,578	4,862
Mindspace Madhapur (KRIT)	1,847	2,183	2,468
MBPPL	6,262	6,809	7,178
Mindspace Airoli East	3,742	4,094	4,305
Commerzone Yerwada	1,746	1,848	1,925
The Square, Nagar Road	642	729	795
Mindspace Pocharam	132	138	153
Gigaplex	2,293	2,925	3,870
Avacado	753	1,204	1,255
Paradigm Mindspace Malad	751	826	844
The Square, BKC	2	378	411
KRC Infra	1,594	2,878	3,811
Gera Commerzone Kharadi	942	1,376	2,110
Facility management division (CAMPLUS)(1)	652	1,502	1,701
Horizonview	62	571	738
Elimination (inter segment revenue)(2)	(652)	(1,502)	(1,701)
Total	**17,141**	**21,080**	**24,023**

See accompanying notes forming part of the projected financial information

Notes:

(1) *KRC Infra plans to commence facility management business with effect from the first day of the quarter following the listing of Units on the Stock Exchanges, under the brand name CAMPLUS, for providing facilities management services to the assets in our Portfolio and third parties, if any, located within the assets. Accordingly, for the purpose of Projections, it is assumed that KRC Infra would commence facility management business effective October 1, 2020*

(2) *Elimination of inter segment revenue to the extent facility management income is paid/ payable to CAMPLUS by Asset SPVs*

For and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
as Manager of the Mindspace Business Parks REIT

Ravi Raheja
Member of the Governing Board

Place: Mumbai
Date: June 20, 2020

Statement of Projected Net Operating Income for Mindspace Business Parks Group

(INR MM)	FY2021	FY2022	FY2023
Mindspace Madhapur (Intime)	1,133	1,215	1,313
Mindspace Madhapur (Sundew)	2,994	3,869	4,084
Mindspace Madhapur (KRIT)	1,479	1,794	2,055
MBPPL	4,684	5,109	5,387
Mindspace Airoli East	2,838	3,100	3,252
Commerzone Yerwada	1,284	1,364	1,418
The Square, Nagar Road	464	543	602
Mindspace Pocharam	98	102	115
Gigaplex	1,663	2,058	2,905
Avacado	601	1,047	1,091
Paradigm Mindspace Malad	627	697	708
The Square, BKC	(26)	350	383
KRC Infra	934	1,522	2,094
Gera Commerzone Kharadi	747	1,096	1,618
Facility management division (CAMPLUS)(1)	187	426	476
Horizonview	(1)	460	585
Total	**13,487**	**17,074**	**19,514**

See accompanying notes forming part of the projected financial information

Notes:

(1) *KRC Infra plans to commence facility management business with effect from the first day of the quarter following the listing of Units on the Stock Exchanges, under the brand name CAMPLUS, for providing facilities management services to the assets in our Portfolio and third parties, if any, located within the assets. Accordingly, for the purpose of Projections, it is assumed that KRC Infra would commence facility management business effective October 1, 2020*

For and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
as Manager of the Mindspace Business Parks REIT

Ravi Raheja
Member of the Governing Board

Place: Mumbai
Date: June 20, 2020

Statement of Projected EBITDA for Mindspace Business Parks Group[1,2]

INR MM	FY2021	FY2022	FY2023
Mindspace Madhapur (Intime)	1,484	1,431	1,522
Mindspace Madhapur (Sundew)	3,163	3,576	3,751
Mindspace Madhapur (KRIT)	2,185	2,248	2,472
MBPPL	5,113	4,704	4,916
Mindspace Airoli East	2,705	2,929	3,041
Commerzone Yerwada	1,225	1,300	1,344
The Square, Nagar Road	436	503	562
Mindspace Pocharam	95	98	111
Other income/ expenses at SPV level	652	(126)	(142)
Gigaplex	1,512	1,882	2,647
Avacado	741	959	992
Paradigm Mindspace Malad	667	660	662
The Square, BKC	(36)	312	344
Other income/ expenses at SPV level	110	(13)	(14)
KRC Infra	831	1,389	1,921
Gera Commerzone Kharadi	664	983	1,470
Facility management division	188	426	474
Other income/ expenses at SPV level	(21)	(20)	(23)
Horizonview	(16)	405	511
Mindspace REIT level expenses	(53)	(96)	(103)
Eliminations[3]	(1,227)	(986)	(986)
Total	**13,733**	**15,512**	**17,643**

See accompanying notes forming part of the projected financial information

Notes:

(1) *While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of the Projections Report, it has been assumed that the post Offer capital and corporate structure will be implemented with effect from October 1, 2020. As a result, the Projections for the Financial Years 2022 and 2023 are not comparable to the Mindspace REIT's Projections for the Financial Year 2021 which would reflect the REIT structure for a period of six months only. Also, the, Projections for the Financial Years 2021, 2022 and 2023 are not comparable to the historical financial information included in this section and elsewhere in the offering document. Accordingly, the investors should consider the above adjustments while comparing the financial information of various periods or years.*

(2) *Other income includes interest income on account of lending to KRC Group (assumed for the period upto September 30, 2020 prior to the implementation of the post Offer capital and corporate structure) and other Asset SPVs and expenses include costs incurred at Asset SPV level and not attributable to any asset. On completion of IPO, all lending to KRC Group will be settled and the post Offer Capital and corporate structure would be in effect immediately, and to that extent there maybe variations on account of the period between actual completion of the IPO and October 1, 2020.*

(3) *Elimination of interest income on account of lending within Asset SPVs.*

For and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
as Manager of the Mindspace Business Parks REIT

Ravi Raheja
Member of the Governing Board
Place: Mumbai
Date: June 20, 2020

Statement of Projected Cash Flow from operating activities for Mindspace Business Parks Group[1,2,3]

INR MM	FY2021	FY2022	FY2023
Mindspace Madhapur (Intime)	830	936	994
Mindspace Madhapur (Sundew)	2,758	3,227	3,349
Mindspace Madhapur (KRIT)	780	1,146	1,309
MBPPL	4,671	4,740	4,405
Mindspace Airoli East	2,658	2,830	3,030
Commerzone Yerwada	1,305	1,364	1,374
The Square, Nagar Road	498	539	619
Mindspace Pocharam	95	89	114
Other expenses and taxes at SPV level	115	(82)	(732)
Gigaplex	1,572	2,141	2,697
Avacado	699	900	848
Paradigm Mindspace Malad	612	649	623
The Square, BKC	108	326	359
Other expenses and taxes at SPV level	(21)	(75)	(134)
KRC Infra	856	1,411	2,056
Gera Commerzone Kharadi	689	1,065	1,638
Facility management division	188	426	474
Other expenses and taxes at SPV level	(21)	(80)	(56)
Horizonview	142	417	595
REIT level expenses	(53)	(96)	(103)
Total	**12,255**	**14,822**	**16,150**

See accompanying notes forming part of the projected financial information

Notes:

(1) *While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of the Projections Report, it has been assumed that the post Offer capital and corporate structure will be implemented with effect from October 1, 2020. As a result, the Projections for the Financial Years 2022 and 2023 are not comparable to the Mindspace REIT's Projections for the Financial Year 2021 which would reflect the REIT structure for a period of six months only. Also, the Projections for the Financial Years 2021, 2022 and 2023 are not comparable to the historical financial information included in this section and elsewhere in the offering document. Accordingly, the investors should consider the above adjustments while comparing the financial information of various periods or years*

(2) *Other expenses include overhead costs incurred at Asset SPV level and not attributable to any asset*

(3) *Income taxes at SPV level are net of refunds*

For and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
as Manager of the Mindspace Business Parks REIT

Ravi Raheja
Member of the Governing Board

Place: Mumbai
Date: June 20, 2020

Statement of Projected Net Distributable Cash Flows (NDCF) for Mindspace Business Parks Group[(1)]

INR MM	2HFY2021	FY2022	FY2023
Mindspace Madhapur (Intime)[(2)]	752	2,307	2,347
Mindspace Madhapur (Sundew)[(2)]	954	2,203	2,387
Mindspace Madhapur (KRIT)[(2)]	1,347	3,039	3,397
MBPPL	2,209	3,661	3,845
Gigaplex	-	-	-
Avacado	317	653	645
KRC Infra	175	389	468
Horizonview	38	75	75
Subtotal	**5,792**	**12,327**	**13,164**
Trustee and other miscellaneous expenses at REIT level	(21)	(23)	(25)
Manager Fees	(32)	(73)	(78)
Total	**5,739**	**12,231**	**13,061**

See accompanying notes forming part of the projected financial information

Notes:

(1) *While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of this Projections Report, Projections are prepared assuming Mindspace REIT's capital structure will come into effect from October 1, 2020. Hence Net Distributable Cash Flow for the fiscal year ending March 31, 2021 only includes Net Distributable Cash Flow projected to be received during 2H FY2021*

(2) *After considering 11% dividend distribution to APIIC*

For and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
as Manager of the Mindspace Business Parks REIT

Ravi Raheja
Member of the Governing Board

Place: Mumbai
Date: June 20, 2020

Basis and notes to Projections

1. Purpose and basis of preparation

As per the requirement of the REIT Regulations, the Projections have been prepared by the Manager of Mindspace Business Parks Group solely for inclusion in the Offer Document and Final Offer Document in connection with the proposed Initial Public Offering of Units of Mindspace Business Parks Group. Therefore, the use of the Projections may not be appropriate and should not be used or relied upon for any purpose other than that described above.

The Projections are prepared based on the accounting policies used for preparation of the Condensed Combined Financial Statements as required by the REIT Regulations, which are prepared in accordance with the Guidance note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), as specified under SEBI (Real Estate Investment Trusts) Regulations, 2014 ("REIT Regulations"), as amended from time to time and the SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016 (SEBI Circular) except for the accounting of scheme of the merger of undertaking of Trion Properties Private Limited and K Raheja Corp Private Limited as mentioned below which has been accounted based on the order dated 7th September 2017 of the National Company Law Tribunal (NCLT).

2. Significant assumptions for the Projections

The Projections and assumptions are based on estimates deemed appropriate and reasonable by the Manager as at the date of the Projections i.eJune 20, 2020, the investors should make their own assessment of the future performance of the Mindspace Business Parks Group. The Projections were adopted by the *Governing Board* of the Manager on June 20, 2020. However, the future events referred to involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied. Investors should therefore be aware that future events cannot be predicted with any certainty and there may be deviations from the figures projected in the Projections and make their own assessment of the future performance of the Mindspace Business Parks Group.

It is clarified that the Projections have been prepared on the basis of a mix of best-estimate (i.e., assumptions as to future events which are expected to take place and the actions expected to take place as of the date the information is prepared) and assumptions (about future events and actions which may or may not necessarily take place, refer to *Additional assumptions, REIT level expenses* and *Finance costs*). Select material assumptions which may have some uncertainty are identified as a part of the report and the resulting sensitivity of those results has been disclosed in Annexure A: Sensitivity Analysis on Material Assumptions.

Projections also reflect the Manager's assessment of the possible impact of coronavirus (COVID 19) outbreak which has disrupted businesses globally in various forms and magnitude. In India as well, the emergency measures, in form of lock-down, imposed by central and state governments to contain the spread of COVID-19 have led to disruption of businesses and economic activity. The Manager has assessed the possible impact of coronavirus pandemic and resulting future uncertainties on various aspects of its business operations and financial position based on the information available including discussions with various stakeholders, views from experts and industry participants, forecasts by various agencies and organizations, and market estimates, etc. However, due to the evolving nature of the pandemic, response by various government authorities and its impact on businesses globally, the actual impact of COVID-19 on the business operations and financial position of Mindspace Business Parks Group may differ materially from that assessed by the Manager.

While the post Offer Capital and corporate structure including settlement of all outstanding loans to KRC Group, would be in effect immediately on completion of the IPO, for the purposes of the Projections Report, the Projections for FY2021, FY2022 and FY2023 are derived assuming post Offer capital structure and corporate structure as if it will be in existence starting on October 1, 2020.

2.1 *Following Terms, Definitions and Abbreviations are used for the purpose of Projections*

Term	Definition
REIT Related Terms	
Intercompany Debt	Refer to lending from Asset SPVs to KRC Group or other Asset SPVs of Mindspace Business Parks Group (lending to KRC Group is applicable only upto 1H FY2021 as these loans are proposed to be settled in part before Offer Document filing and remaining on listing of Units on the Stock Exchanges)
Manager	K Raheja Corp Investment Managers LLP
Mindspace Business Parks Group	Collectively Mindspace REIT and the Asset SPVs
Mindspace REIT	Mindspace Business Parks REIT, set up on November 18, 2019 as an irrevocable trust under provisions of the Indian Trusts Act, 1882 and registered with SEBI as a real estate investment trust under the REIT Regulations
REIT Regulations	SEBI (Real Estate Investment Trusts) Regulations, 2014 together with the circulars issued thereunder and amendments thereto
SEBI	Securities and Exchange Board of India
APIIC	Andhra Pradesh Industrial Infrastructure Corporation
General Terms	
Base Rent (INR psf / month)	$\frac{Base\ Rentals\ for\ the\ specified\ period}{Occupied\ Area * monthly\ factor}$
Base Rentals (₹)	Rental income contracted from the leasing of Occupied Area. It does not include fit-out income, maintenance services income, car park income and others. For the purpose of Projections, Vacancy Allowance is included in Base Rentals. Vacancy Allowance is allowance of upto 1% on Base Rentals. Applicable only when asset is occupied more than 99%
Cash flows from operating activities[1]	Cash flow operating activities has been arrived by adjusting EBITDA primarily removing non-cash items and interest income and adding change in security deposits and other working capital changes (if any)
Committed Occupancy	$\frac{(Occupied\ Area) + (Committed\ Area)}{Completed\ Area}\%$
Committed Area	Completed Area which is unoccupied but for which letter of intent/ agreement to lease have been signed
Completed Area	Leasable Area for which occupancy certificate has been received
DDT	Dividend Distribution Tax
Draft Offer Document	Draft Offer Document of Mindspace REIT dated December 31, 2019 filed with SEBI
EBITDA[2]	EBITDA is defined as earnings before finance costs, depreciation and amortization and taxes
Financial Year or Fiscal or FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Future Development Area	Leasable Area of an asset that is planned for future development, as may be permissible under the relevant rules and regulations, subject to requisite approvals as may be required, and for which internal development plans are yet to be finalized and/ or applications for requisite approvals required under law for commencement of construction are yet to be received
1HFY2021	Period during April 1, 2020 and September 30, 2020
2HFY2021	Period during October 1, 2020 and March 31, 2021
IndAS	The Companies (Indian Accounting Standards) Rules, 2015, as notified on February 16, 2015 by the MCA, including any amendments or modifications thereto
In-place Rent (psf per month)	Base Rent for a specified month
INR	Indian rupees
IT Act	Income Tax Act, 1961 together with the rules thereto, as may be amended from time to time
Leasable Area	Square footage that can be leased to a tenant for the purpose of determining a tenant's rental obligations
Lease Term	Non-cancellable period together with any further term for which the tenant has the option to continue the lease
Total Leasable Area	Total Leasable Area is the sum of Completed Area, Under Construction Area and Future Development Area
Maintenance services income[3]	Revenue received/ receivable from tenants for the common area maintenance ("CAM") services provided as per the terms of agreement with the tenants, and also includes revenue

Term	Definition
	from common area maintenance services provided to third parties, if any, located within the assets.
Maintenance services expense[4]	Repairs and maintenance expenses on building, plant and machinery, electrical installations incurred by assets to provide CAM services to the tenants or third parties, if any, located within the assets
Market Rent (psf per month)	Manager's estimate of Base Rent that can be expected from leasing of the asset to a tenant
Mn/ MM	Million
msf	Million square feet
NA	Not Applicable
NDCF[5]	Net Distributable Cash Flow, calculated using the framework as described in Distribution section of the Draft Offer Document. For further details, please refer to page 290 of the Draft Offer Document
Net Operating Income (NOI)[6]	Net Operating Income calculated as Revenue from operations less: direct operating expenses (which includes Maintenance services expense, property tax, insurance expense, cost of material sold and cost of power purchased, if any)
NOI Margin[6]	NOI/ Revenue from operations
Occupancy	$\frac{Occupied\ Area}{Completed\ Area}\%$
Occupied Area	Completed Area for which lease agreements/ leave and license agreements have been signed with tenants
Projections	Projections of Facility rentals, Revenues from operations, NOI, EBITDA, Cash flows from operating activities and NDCF of Mindspace Business Parks Group for Financial Years 2021, 2022 and 2023
Projections Period[7]	FY2021, FY2022 and FY2023
psf	Per square feet
REIT Funding	Funding to be provided by Mindspace REIT to the Asset SPVs for the partial or full repayment or prepayment of debt of the Asset SPVs, construction financing/ refurbishment expense/ working capital requirements at Asset SPVs and other general purposes including payment of fees and expenses on the issue of the REIT Funding
Revenue from operations[8]	Primarily includes Base Rentals, fit out rent, income from car park and others, maintenance services income, revenue from power supply, other operating income and non-cash accounting entries
Condensed Combined Financial Statements	The Special Purpose Condensed Combined Financial Statements of the Mindspace Business Parks Group comprise the Condensed Combined Balance Sheet, the Condensed Combined Statement of Cash Flow, the Condensed Combined Statement of Changes in Equity as at 31 March 2020, 31 March 2019 and 31 March 2018; the Condensed Combined Statement of Profit and Loss for the years ended 31 March 2020, 31 March 2019 and 31 March 2018 and a summary of significant accounting policies and selected explanatory information , the Statement of Net Assets at Fair Value as at 31 March 2020, the Statement of Total Returns at Fair Value for the year ended 31 March 2020 and 31 March 2019 and other additional financial disclosures. The Condensed Combined Financial Statements were authorized for issue in accordance with the resolution passed by the Governing board of the Manager on June 20, 2020. The Condensed Combined Financial Statements have been prepared in accordance with the Guidance note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Notes") using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ('Ind AS'), as specified under the SEBI (Real Estate Investment Trusts) Regulations, 2014 ("REIT Regulations"), as amended from time to time and the SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016 ("SEBI Circular"), except for the accounting of scheme of the merger of undertaking of Trion Properties Private Limited and K Raheja Corp Private Limited as mentioned in Note 2.3(e) to the Condensed Combined Financial Statements which has been accounted based on the order dated September 7, 2017 of the National Company Law Tribunal (NCLT).
Under Construction Area	Leasable Area where construction is ongoing and/ or the occupancy certificate is yet to be obtained
Vacancy Allowance	Allowance of upto 1% of Base Rentals. Applicable only when asset is occupied more than 99%

Term	Definition
Vacant Area	Completed Area which is unoccupied and for which no letter of intent/ lease agreement/ leave and license agreement has been signed
WALE	Weighted Average Lease Expiry based on area. Calculated assuming tenants exercise all their renewal options post expiry of their initial commitment period
Portfolio	Assets which will be directly or indirectly owned by the Mindspace REIT prior to listing in terms of the REIT Regulations, in this case being (i) Mindspace Madhapur (Intime, Sundew, KRIT); (ii) Mindspace Airoli East; (iii) Commerzone Yerwada; (iv) The Square, Nagar Road, (v) Mindspace Pocharam; (vi) Mindspace Airoli West, (vii) Paradigm Mindspace Malad (viii) The Square, BKC (ix) Gera Commerzone Kharadi; (x) Commerzone Porur

Notes:

(1) *Cash flows from operating activities for the Projections Period have been calculated on the same basis as the historical Cash flows from operating activities, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period.*

(2) *EBITDA and EBITDA margin are not recognized measures under Ind AS or IFRS. EBITDA and EBITDA margin should not be considered by themselves or as substitutes for net income, operating income or cash flows from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends. EBITDA does not have a standardized definition under Ind AS or IFRS, and the method of calculating EBITDA may be different from the method used by most other companies to calculate EBITDA (which usually involves adding interest, taxes, depreciation and amortization to a company's net income). Although, the Manager believes that the method of calculating EBITDA for Mindspace Business Parks Group does not result in material differences from the way that most companies calculate EBITDA, it cannot be assured that EBITDA calculation for Mindspace Business Parks Group will always be comparable with similarly named measures presented by other companies. EBITDA and EBITDA margin for Projections Period have been calculated on the same basis as historical EBITDA and EBITDA margin, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period. In addition, we also present projected NOI and NDCF as we believe these are additional measures that are useful for investors.*

Ind AS 114 (Regulatory Deferral Accounts) requires the movement in all regulatory deferral account balances to be distinguished from other income and expenses hence it does not form part of EBITDA calculation. Such income/ expenses are not considered for the purpose of Projections

(3) *KRC Infra plans to commence facility management business with effect from the first day of the quarter following the listing of Units on the Stock Exchanges, under the brand name CAMPLUS for providing facilities management services to the assets in our Portfolio and third parties, if any, located within the assets. Accordingly, for the purpose of the Projections, revenue received /receivable by CAMPLUS is assumed to commence from October 1, 2020.*

(4) *KRC Infra plans to commence facility management business with effect from the first day of the quarter following the listing of Units on the Stock Exchanges, under the brand name CAMPLUS for providing facilities management services to the assets in our Portfolio and third parties, if any, located within the assets. Accordingly, for the purpose of the Projections, expenses incurred by CAMPLUS is assumed to be incurred starting October 1, 2020.*

(5) *NDCF is a significant performance metric, the framework for which is adopted by the Manager in line with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 issued by SEBI on September 26, 2014, as amended from time to time and any circulars and guidelines issued thereunder. The Manager believes this metric serves as a useful indicator of the REIT's expected ability to provide a cash return on investment. NDCF does not have a standardized meaning and is not a recognized measure under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NDCF should not be considered by itself or as a substitute for net income, operating income or cash flows from operating activities or related margins or other measures of operating performance, liquidity or ability to pay dividends.*

(6) *NOI and NOI margin are significant performance metrics used by the Manager as a primary driver of performance evaluation and allocation of resources. NOI and NOI margin are not recognized measures under Ind AS or IFRS, and may not be comparable with measures with similar names presented by other companies. NOI and NOI margin should not be considered by themselves or as substitutes for net income, operating income or cash flow from operations or related margins or other measures of operating performance, liquidity or ability to pay dividends. NOI and NOI margin have been calculated on the same basis as historical NOI and NOI margin, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period. For Projections, we have not assumed any cost of material sold.*

(7) *While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of this Projections Report, it has been assumed that the post Offer capital and corporate structure will be implemented with effect from October 1, 2020. As a result, the Projections for the Financial Years 2022 and 2023 are not comparable to the Mindspace REIT's Projections for the Financial Year 2021 which would reflect the REIT structure for a period of six months only. Also, the Projections for the Financial Years 2021, 2022 and 2023 are not comparable to the historical financial information included in this section and elsewhere in the offering document. Accordingly, the investors should consider the above adjustments while comparing the financial information of various periods or years.*

(8) *Revenue from operations for the Projections Period has been calculated on the same basis as historical Revenue from operations, subject to the inherent limitations generally involved in presenting Projection figures, as well as the assumptions set forth in this report. Such assumptions and inherent limitations may distort comparability across historical and Projections Period.*

2.2 *Following are the Asset SPV details forming part of* Mindspace Business Parks Group:

S.No.	Asset SPV	
1.	Intime	Intime Properties Limited
2.	Sundew	Sundew Properties Limited
3.	KRIT	K. Raheja IT Park (Hyderabad) Limited
4.	MBPPL	Mindspace Business Parks Private Limited
5.	Gigaplex	Gigaplex Estate Private Limited
6.	Avacado	Avacado Properties and Trading (India) Private Limited
7.	KRC Infra	KRC Infrastructure and Projects Private Limited
8.	Horizonview	Horizonview Properties Private Limited

2.3 *Following are the Asset details forming part of* Mindspace Business Parks Group:

S.No.	Asset	Asset SPV	Location	Mindspace REIT Ownership
1A.	Mindspace Madhapur	Intime	Hyderabad	89%(1)
1B.	Mindspace Madhapur	Sundew	Hyderabad	89%(1)
1C.	Mindspace Madhapur	KRIT	Hyderabad	89%(1)
2	Mindspace Airoli East	MBPPL	Mumbai Region	100%
3.	Commerzone Yerwada	MBPPL	Pune	100%
4.	The Square, Nagar Road	MBPPL	Pune	100%
5.	Mindspace Pocharam	MBPPL	Hyderabad	100%
6.	Mindspace Airoli West	Gigaplex	Mumbai Region	100%
7.	Paradigm Mindspace Malad	Avacado	Mumbai Region	100%
8.	The Square, BKC	Avacado	Mumbai Region	100%
9.	Gera Commerzone Kharadi	KRC Infra	Pune	100%
10.	Commerzone Porur	Horizonview	Chennai	100%

Notes:

(1) *11% stake held by APIIC. For the purpose of Projections, we have shown Facility rentals, Revenue from operations, NOI, EBITDA and Cash flow from operating activities of the Asset SPV while NDCF is shown post the adjustment of APIIC stake.*

2.4 *Facility Management Division*

KRC Infra plans to commence facility management business with effect from the first day of the quarter following the listing of Units on the Stock Exchanges, under the brand name CAMPLUS, for providing facilities management services to the assets in our Portfolio and third parties, if any, located within the assets. Accordingly, for the purpose of the Projections, it is assumed that KRC Infra would commence facility management business effective October 1, 2020. The Board of directors of all the Asset SPVs under Mindspace REIT have passed resolution to avail the facilities management services from KRC Infra.

2.5 *Following is Portfolio Overview*[(1)]

Assets	Total Leasable Area (msf)	Completed Area (msf)	Under Construction Area (msf)	Future Development Area (msf)	Committed Occupancy (%)
Mindspace Madhapur (Intime)	1.7	1.7	-	-	99.7%
Mindspace Madhapur (Sundew)	5.7	5.6	0.1	-	97.9%
Mindspace Madhapur (KRIT)	3.2	2.7	-	0.5	95.8%
Mindspace Airoli East	6.8	4.7	-	2.1	98.0%
Commerzone Yerwada	1.7	1.7	-	-	99.9%
The Square, Nagar Road	0.7	0.7	-	-	100.0%
Mindspace Pocharam	1.0	0.4	0.2	0.4	92.4%
Mindspace Airoli West	4.5	3.5	1.0	-	72.3%
Paradigm Mindspace Malad	0.7	0.7	-	-	93.8%
The Square, BKC[(2)]	0.1	0.1	-	-	0.0%
Gera Commerzone Kharadi	2.6	1.3	0.7	0.6	71.3%
Commerzone Porur[(3)]	0.8	-	0.8	-	NA
Total	**29.5**	**23.0**	**2.8**	**3.6**	**92.0%**

Notes:

(1) *Data as of March 31, 2020*

(2) *The Square, BKC was acquired in August 2019 and is currently not leased*

(3) *Received occupancy certificate in June, 2020*

2.6 *Indicative Profit and Loss Statement Framework Used for the Purposes of Projections*

Serial No.	Key Components	Additional Description
A	Base Rentals	Rental income contracted from leasing of Occupied Area. It does not include fit-out income, maintenance services income, car park income and others. For the purpose of Projections, Vacancy Allowance is included in Base Rentals. Vacancy Allowance is allowance of upto 1% on Base Rentals. Applicable only when asset is occupied more than 99%.
B	Ind AS adjustments	Includes impact of straight lining of Base Rentals and amortization of unearned rent on account of security deposits received
C	Fit-out income	For some of our tenants, we provide customized alterations and enhancements as per the tenants' requirements. For such properties, we recover the value of the fit-outs provided through fit-out income
D	Car park and Others	Primarily includes income from car park, kiosks, signage, ATMs, towers, promotional events, among others
E = A+B+C+D	**Facility rentals**	
F	Maintenance services income(1)	Consists of revenue received / receivable from tenants for the CAM services provided as per the terms of agreement with the tenants, also includes CAM revenue from CAM services provided to third parties, if any, located within the assets
G	Other operating income	Interest income from finance leases comprise income from fit-out where such leases are classified as finance leases
H	Revenue from power supply	Includes income earned from distribution of power by the assets in our Portfolio which are deemed distribution licensees for distribution of power to SEZ customers (Mindspace Airoli East, Mindspace Airoli West and Gera Commerzone Kharadi)
I = E+F+G+H	**Revenue from operations**	
J	Maintenance services expense(2)	Repairs and maintenance expenses on building, plant and machinery, electrical installations incurred by assets to provide CAM services to the tenants or third parties, if any, located within the assets
K	Other Direct operating expenses for assets	Primarily includes property taxes and insurance expenses
L	Cost of power purchased	Expenses incurred by the assets in our Portfolio which are deemed distribution licensees for distribution of power to SEZ customers (Mindspace Airoli East, Mindspace Airoli West and Gera Commerzone Kharadi) for supply of power
M = J+K+L	**Direct Operating expenses**	
N= I- M	**NOI**	
O	Property management fees	Property management and support services fees paid to the Manager being 3.5% of Base Rentals, Fit-out income, Car park and Others as invoiced. For 1H FY2021 the fee is being assumed to be paid to KRC Group company(3)
P	Other expenses	Includes miscellaneous repairs and maintenance works and other expenses. Other expenses primarily include legal and professional fees, rates and taxes and corporate social responsibility expenses among others
Q= O + P	**Total Indirect Operating Expenses**	
R	REIT level expenses	Include Manager fees (0.50% of NDCF at REIT level plus taxes as may be applicable) in addition to the fee paid by Asset SPVs) and other expenses including audit fees, trustee fees, valuer fees, etc.
S	Interest income(4)	Includes interest income earned on intercompany lending and on cash and cash equivalents
T	Leasing Commission adjusted for Ind AS	Brokerage paid out to third parties adjusted as per accounting policies and applicable Ind AS
U = N-Q-R+S-T	**EBITDA**	

Notes:

(1) From October 1, 2020, it will also include revenue received/ receivable by CAMPLUS

(2) From October 1, 2020, it will also include expenses incurred by CAMPLUS

(3) While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of this Projections Report, it has been assumed that the post Offer capital and corporate structure will be implemented with effect from October 1, 2020. As a result, the Projections for the Financial Years 2022 and 2023 are not comparable to the Mindspace REIT's Projections for the Financial Year 2021 which would reflect the REIT structure for a period of six months only, Also, the Projections for the Financial Years 2021,

2022 and 2023 are not comparable to the historical financial information included in this section and elsewhere in the offering document. Accordingly, the investors should consider the above adjustments while comparing the financial information of various periods or years

(4) Computed at Asset SPV level and not asset level. Post Offer, at Mindspace Business Parks Group Level, interest income on account of lending between Asset SPVs will be zero

2.7 Summary snapshot of select key line items for Mindspace Business Parks Group(1,2)

INR MM	FY2021	FY2022	FY2023
Facility Rentals	13,382	16,709	18,862
% growth	*11.6%*	*24.9%*	*12.9%*
Revenue from operations	17,141	21,080	24,023
% growth	*10.6%*	*23.0%*	*14.0%*
NOI	13,487	17,074	19,514
% growth	*10.0%*	*26.6%*	*14.3%*
as % of Revenue from operations	*78.7%*	*81.0%*	*81.2%*
EBITDA	13,733	15,512	17,643
as % of Revenue from operations	*80.1%*(3)	*73.6%*	*73.4%*
as % of NOI	*101.8%*	*90.9%*	*90.4%*
Cash flow from operating activities	12,255	14,822	16,150
Mindspace Business Parks Group NDCF	**5,739**(4)	**12,231**	**13,061**

Notes:

(1) *While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of this Projections Report, it has been assumed that the post Offer capital and corporate structure will be implemented with effect from October 1, 2020. As a result, the Projections for the Financial Years 2022 and 2023 are not comparable to the Mindspace REIT's Projections for the Financial Year 2021 which would reflect the REIT structure for a period of six months only, Also, the Projections for the Financial Years 2021, 2022 and 2023 are not comparable to the historical financial information included in this section and elsewhere in the offering document. Accordingly, the investors should consider the above adjustments while comparing the financial information of various periods or years*

(2) KRC Infra plans to commence facility management business *with effect from the first day of the quarter following the listing of Units on the Stock Exchanges,* under the brand name CAMPLUS for providing facilities management services to the assets in our Portfolio and third parties, if any, located within the assets. *Accordingly, for the purpose of Projections it is assumed that KRC Infra would commence facility management business effective October 1, 2020*

(3) FY2021 EBITDA figure includes interest income on account of lending to KRC Group which is applicable only for FY2021. The Manager and the KRC Selling Unitholders have undertaken that they shall not proceed with the completion of the Offer if the outstanding Group Loans availed by certain KRC Group entities from the Asset SPVs cannot be repaid from the proceeds of the Offer for Sale (through an escrow arrangement) or any other permitted means, including a loan from a bank or a financing institution. These outstanding Group Loans are proposed to be repaid by the KRC Group in two tranches. A portion of the Group Loans shall be repaid by the KRC Group through the proceeds of loan from a bank/financing institution after the filing of the updated Draft Offer Document with SEBI, but prior to the filing of the Offer Document with SEBI and the Stock Exchanges. The balance portion of the Group Loans shall be repaid by the KRC Group from the proceeds of the Offer for Sale (to be made available by the KRC Selling Unitholders, as the case may be) or any other permitted means, including a loan from banks and / or financing institutions. Excluding such interest income from EBITDA, EBITDA as a % of Revenue from operations will be 72% and as a % of NOI will be 92%.

(4) *While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of this Projections Report, Projections are prepared assuming REIT capital structure comes in existence from October 1, 2020 hence Net Distributable Cash Flow for the fiscal year ending March 31, 2021 is for 2H FY2021*

3. Revenue drivers and assumptions

During the Projections Period, Revenue from operations is expected to grow by 55% from INR 15,501 MM in FY2020 to INR 24,023 in FY2023. While projecting the revenue, the Manager has assumed a vacancy allowance of upto 1.0% of base rentals to account for any unforeseen exits, any unanticipated delay in lease-up of existing vacant area, re-leasing or leasing of area pursuant to new developments. Such allowance has been reduced from base rentals for the calculation of Revenue from operations in cases where occupancy is more than 99.0%.

Manager has also assumed Q1 FY2021 Base Rental collections at 95% and Q2 FY2021 collections at 97% to provide for rent waivers or deferments requested / as may be requested by certain tenants due to COVID-19. Manager has also revised revenue assumptions estimated in the Draft Offer Document, amongst other things, in respect of lease tie ups, rent commencement dates from committed and new leases, time to re-lease areas coming up for re-leasing, time to lease vacant, under construction and newly completed areas during the Projections period to reflect the possible impact on the business that may be caused due to COVID-19.

Below table shows key drivers of Revenue from operations

	FY2021	FY2022	FY2023	Total (FY21-23)	% Growth Contribution of Total (from FY2020-FY2023)
Revenue from operations for the previous year	**15,501[1]**	**17,141**	**21,080**	**15,501[1]**	
Total growth for the year	**1,640**	**3,939**	**2,943**	**8,522**	**55%**
Contracted and others[2]	1,448	1,725	493	3,666	24%
Lease up of vacant area[3]	59	926	559	1,544	10%
Mark to market opportunity	104	534	457	1,095	7%
Lease-up of under construction area[4]	29	754	1,434	2,217	14%
Revenue from operations for the current year	**17,141**	**21,080**	**24,023**	**24,023**	

Notes:

(1) *KRC Infra has entered into a construction service contract for buildings which are not part of Mindspace REIT at Gera Commerzone Kharadi. This being a one off transaction, the revenue from operations for the same has not been considered for FY2020*

(2) *Contracted and others include contractual escalations, full year impact of contractual leases; others primarily include revenue from power supply, impact of Ind AS adjustments, downtime and vacancy allowance. It also factors in the assumption of Q1 FY2021 Base Rental collections at 95% and Q2 FY2021 collections at 97% to provide for rent waivers or deferments requested or as may be requested by certain tenants due to COVID-19*

(3) *Includes incremental income (including rental escalations thereon) from leasing of area which is vacant as of March 31, 2020*

(4) *Lease-up of under construction area include incremental rental income (and escalations thereon) and CAM income from area which are under construction as of March 31, 2020 and are expected to complete during Projections Period*

3.1 Facility Rentals

Contracted revenue and others:

- Contracted Revenue includes
  - Revenue from the leases which are contracted as of March 31, 2020 but do not yield rentals for the full year in FY2020 and FY2021
  - Contractual escalation in existing leases: Based on existing lease agreements, leave and license agreement and letter of intent, generally base rentals escalates 12%-15% every three years or 4%-5% every year for the lease term
- Others include change in revenue from power supply, impact of IndAS adjustments, downtime and Vacancy Allowance

The table below sets out Completed Area, Committed Occupancy and WALE for Portfolio as of March 31, 2020

Portfolio	Completed Area (msf)	Committed Occupancy (%)	WALE (in Years)
Mindspace Madhapur (Intime)	1.7	99.7%	5.5
Mindspace Madhapur (Sundew)	5.6	97.9%	6.6
Mindspace Madhapur (KRIT)	2.7	95.8%	3.7
Mindspace Airoli East	4.7	98.0%	4.8
Commerzone Yerwada	1.7	99.9%	5.6
The Square, Nagar Road	0.7	100.0%	5.5
Mindspace Pocharam	0.4	92.4%	2.9
Mindspace Airoli West	3.5	72.3%	8.1
Paradigm Mindspace Malad	0.7	93.8%	3.3
The Square, BKC(1)	0.1	-	-
Gera Commerzone Kharadi	1.3	71.3%	10.9
Commerzone Porur(2)	-	-	-
Total	**23.0**	**92.0%**	**5.8**

Notes:
(1) *The Square, BKC was acquired in August 2019 and is currently not leased*
(2) *Received occupancy certificate in June, 2020*

3.2 Lease-up of vacant area:

As of March 31, 2020, 1.85 msf area is vacant including 1.17 msf of area that was completed in the period post June 30, 2019. The Manager has assessed the lease-up timelines based on assessment of market conditions more particularly in view of the possible impact of COVID-19, ongoing discussions with tenants, expected demand-supply situation in each of the Portfolio micro markets, among other factors. The Manager has assumed that all new leases will be warm shell leases and no fit-out income will be received from such leases. For all new leases, lease term of 10 years and contractual escalations of 4%-5% at the end of every year have been assumed on the applicable Market Rent, except for Commerzone Porur and The Square, BKC, wherein contractual escalations of 15% every three years have been assumed. Market Rent for each of the Assets have been assumed to escalate by 4% and 5% for FY2022 and FY2023 respectively.

On an average we have assumed leasing of the vacant area as on March 31, 2020 in the next 15-20 months. Details of vacant area and leasing assumptions are as per below table:

Portfolio	Vacant Area (msf)	Market Rent for FY2021 (INR psf pm)	Rental Growth Upto March 2022
Mindspace Madhapur (Intime)	0.01	63	4%
Mindspace Madhapur (Sundew)	0.12	63	4%
Mindspace Madhapur (KRIT)	0.11	63	4%
Mindspace Airoli East	0.10	56	4%
Commerzone Yerwada	NM	75	4%
Commerzone Kharadi	0.36	72	4%
The Square, Nagar Road	-	78	4%
Mindspace Pocharam	0.03	25	4%
Mindspace Airoli West	0.96	50	4%
Paradigm Mindspace Malad	0.04	82	4%
The Square, BKC	0.12	295	4%
Total	**1.85**		

NM = Not material given relatively low vacant area (i.e < 0.01 msf)

3.3 Mark to market opportunity:

As leases expire, we expect to generate additional rental revenue by (i) resetting rental rates of our assets to the market rental benchmarks; and (ii) potentially increasing the Leasable Area of our assets (as applicable) as a result of adjustment of efficiency to the prevalent market norms. Due to relatively higher Market Rents, weighted average

Market Rents for the Portfolio is estimated to be 22.6% above In-place Rents. The Manager estimates that expiring leases will be re-leased at the then prevailing Market Rent and at the efficiency adjusted Leasable Area. On releasing, the lease term is assumed to be 10 years with annual escalations of 4.5% per annum.

Since April 01, 2020, approximately 0.7 msf area has been leased out to tenants across various properties, where the weighted average rent achieved was higher than the Market Rents estimated for such area.

Further, on lease expiry, the Manager has generally assumed rent commencement after four months of the expiry, except in specific instances where the Manager, based on its assessment expects the rent commencement to take longer.

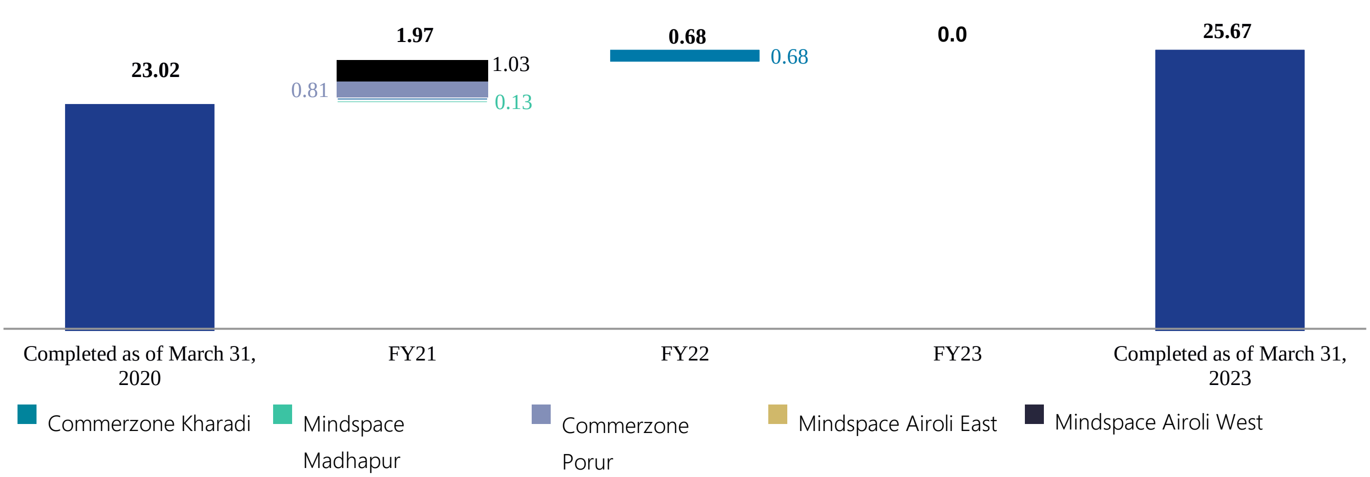
Lease expiries for occupied area for the Projections Period are summarized in the following table

Portfolio	FY2021		FY2022		FY2023	
	Area Expiring (msf)	In-place Rent at Expiry (INR psf pm)	Area Expiring (msf)	In-place Rent at Expiry (INR psf pm)	Area Expiring (msf)	In-place Rent at Expiry (INR psf pm)
Mindspace Madhapur (Intime)	0.05	56.9	0.21	39.5	0.02	40.9
Mindspace Madhapur (Sundew)	0.23	39.1	0.03	47.1	0.61	51.7
Mindspace Madhapur (KRIT)	0.44	39.3	0.59	39.7	0.34	51.1
Mindspace Airoli East	0.66	46.3	0.66	52.9	0.45	54.4
Commerzone Yerwada	0.11	48.8	0.14	60.4	0.25	51.5
The Square, Nagar Road	0.03	69.6	-	-	-	-
Mindspace Pocharam	-	-	0.13	22.4	-	-
Mindspace Airoli West	0.10	53.2	-	-	0.22	51.6
Paradigm Mindspace Malad	0.14	92.0	0.01	71.8	0.14	92.4
Total	**1.76**	**48.5**	**1.77**	**45.2**	**2.03**	**54.9**

3.4 Lease-up of under construction area:

Below chart shows YoY estimated area planned for completion

(msf)



Given the disruption of businesses and slowdown in economic activity globally caused by COVID-19, the Manager expects lease up of under construction area to be affected in the near term. The Manager has accordingly revised its estimates of the lease-up timelines for the under construction area vs. the timelines in Draft Offer Document for FY2021 and FY2022.

3.5 Maintenance services income

Maintenance services income includes revenue received/ receivable from tenants or third parties, if any, located within the assets, as the case may be for the common area maintenance services provided. For FY2020, total CAM income was INR 2,838 MM. For the Projections, we have assumed 5.0% annual escalations in CAM recovery rate (psf) and recovery is assumed on the Occupied Area

3.6 Car park and others

For FY2020, car park and others income (recurring) was INR 155 MM and is assumed to escalate at 5% per annum.

3.7 Drivers and assumptions for NOI

For the Projections Period, below table summarizes the key drivers of NOI

INR MM	FY2021	FY2022	FY2023	Total (FY21-23)	% Growth Contribution of Total Growth (FY2020-FY2023)
NOI from operations for the previous year	**12,257**	**13,487**	**17,074**	**12,257**	
Total growth for the year	**1,230**	**3,587**	**2,440**	**7,257**	**59%**
Contracted and others[1]	1,094	1,559	264	2,917	24%[4]
Lease up of vacant area[2]	59	928	557	1,544	12%
Mark to market opportunity	102	525	445	1,072	9%
Lease-up of under construction area[3]	(25)[5]	575	1,174	1,724	14%

Notes:

(1) Contracted and others include contractual escalations, full year impact of contractual leases; others primarily include NOI from in-house facility management division, revenue from power supply, impact of Ind AS adjustments, downtime vacancy allowance and other direct operating expenses. It also factors in the assumption of Q1 FY2021 Base Rental collections at 95% and Q2 FY2021 collections at 97% to provide for rent waivers or deferments requested or as may be requested by certain tenants due to COVID-19

(2) Includes incremental NOI (including rental escalations thereon) from leasing of area which is vacant as of March 31, 2020

(3) Lease-up of under construction area include incremental rental income (and escalations thereon), CAM income, CAM expenses and property tax from area which are under construction as of March 31, 2020 and getting completed and leased out during Projections Period

(4) As of March 31, 2020, for the period FY 2021-FY 2023, 42% of total NOI growth is from contracted and others and pre-leased under construction area. Corresponding figure excluding any accounting adjustments is 40%

(5) Includes Direct Operating expenses on account of area getting completed in Q1FY2020 in Commerzone Porur

4. Expenses

a. *Maintenance services expense:* These expenses include housekeeping and security services, repairs and maintenance, common area electricity expenses, facility management fees etc. Such expenses are assumed to be incurred on completed area. For FY2020, total CAM expense was INR 2,091 MM. For the Projections, we have assumed 5.0% annual escalations in CAM expense rate over FY2020 CAM expense rate.

For area which is getting completed post March 31, 2020, CAM expense is assumed to be 50% of stabilized estimated CAM expense in year 1, 70% in year 2 and 100% from year 3 onwards. Expenses related to CAM services provided to third parties, if any located within the assets, are also included in maintenance service expense.

b. *Other Direct operating expenses*: Primarily includes property taxes and insurance expenses

i. *Property tax:* Property tax is to be payable on completed area. Based on past history of property tax escalations, for the Projections Period the Manager has assumed property taxes will be payable as per current rate on completed area except for Madhapur assets where the Manager has considered an additional c.60 paise psf pm amount based on its expectation of a possible increase in the property tax rates. For the under-construction and future development buildings it is assumed that property taxes would be payable on completion of the buildings at current rates.

ii. *Insurance:* Insurance expenses (psf basis) for FY2021 have been assumed to increase over FY2020 insurance expense by c.50% Further, the insurance expenses are assumed to escalate at 5% per annum for the Projections Period

Assets for which historical data is not available (Gera Commerzone, Kharadi and Commerzone Porur), Manager has assumed estimates of property taxes, insurance expenses and CAM expenses to the best of its assessment

c. *Property management fees:* Pursuant to property management and support services agreements between the Manager and SPVs, the Manager is entitled to property management and support services fees in aggregate of 3.5% of Base Rentals, Fit-out income, Car park and Others as invoiced. Property management fees are to be paid to KRC Group until the listing of Units on Stock Exchanges

d. *Other expenses* – Includes major repairs and maintenance expense and others (which primarily includes legal and professional fee, rates and taxes, CSR). Other expenses amount to 2-2.5% of facility rentals.

e. *REIT level expenses:*

i. REIT management fee – In addition to the property management fees paid by Asset SPVs to the Manager, the Manager is also entitled to REIT management fees to be paid by Mindspace REIT. Such fees shall be calculated at 0.50% of NDCF (plus taxes as may be applicable) at REIT level.

ii. REIT recurring expense: The REIT will also incur an annual expense of INR 21 MM from FY21 on account of audit, legal and other fees which will grow at a rate of 10% per annum

5. Drivers and assumptions for Cash flows from operating activities

a) <u>Leasing commissions:</u> Leasing commissions based on two months of rents have been assumed to be paid on all new leases and re-leasing except for Mindspace Airoli East and Mindspace Airoli West where the Manager has assumed leasing commissions to be three months of rents for all new leases and re-leasing based on market dynamics. As per the principles laid down in Ind AS 116, leasing commission is amortized over the lock in term of the lease. However, leasing commissions is treated as an outflow for calculation of Cash flows from operating activities and assumed to be paid out on lease commencement date

b) <u>Change in security deposit:</u> For the leases, tenants are typically required to pay security deposits; this minimizes the risk of rental default by the tenants. Security deposits inflow of six months of rentals is assumed on leasing and re-leasing of new/vacant space and an outflow of on an average six months of base rent for a tenant vacating the space. It also includes change in amount received from existing tenant on account of escalation of rent, as applicable. For the purpose of Projections, no change in working capital except security deposit and finance lease has been assumed.

c) <u>Income taxes:</u> Pursuant to the amendments introduced vide Finance Act, 2020, the Asset SPVs have elected to discharge their income-tax liability without exercising the option available under section 115BAA of the Income Tax Act. Accordingly, Income taxes for Asset SPVs have been computed at income tax rates applicable for FY2021, which are expected to be applicable for the entire period of Projections as provided under IT Act without exercising the option available to discharge their tax liability as per section 115BAA of the IT Act.

The losses, if any, have been carried forward and set-off as per the provisions of Chapter VI of the IT Act. Minimum Alternate Tax, if applicable, is computed as per the provisions of Chapter XII-B of the IT Act. Interest and Dividend income expected to be received by Mindspace REIT from Asset SPVs are considered exempt in the hands of Mindspace REIT under Chapter III read with Chapter XII-FA of the IT Act.

6. Capital expenditure

To contain the spread of COVID-19, the government authorities imposed restrictions on construction activities. This has led to temporary stoppage of work at the under-construction assets. The Manager has assessed the potential impact of this together with other factors including availability of labour post lifting of lock-down, demand conditions, etc. on the completion timelines of the under-construction assets and consequently revised the timelines to reflect the likely delay COVID-19 disruption is expected to cause. Construction (including interest during construction) for the projection period has been assumed to be financed by external debt.

The following table summarizes construction timeline and costs assumed for projects expected to start generating revenue during the period of Projections and certain identified major maintenance and upgrade projects:

Asset/ Building	Under construction Area (msf)	Cost to be Incurred as of March 31, 2020 (INR MM)[1]	Completion Date as per DOD	Revised Estimate of Completion Date
Mindspace Madhapur - Sundew				
Hotel	0.13	221	Q2 FY 2021	Q4 FY 2021
Mindspace Airoli East				
High Street	0.05	300	Q4 FY 2022	Q4 FY 2022
Mindspace Airoli West				
B-9	1.03	2,365	Q2 FY 2021	Q4 FY 2021
Gera Commerzone Kharadi				
B-5	0.68	2,292	Q3 FY 2022	Q3 FY 2022
Commerzone, Porur[3]				
Tower A&B	0.81	748	Q4 FY 2020	Q1 FY 2021
Pending Capex for Completed Area				
Mindspace Madhapur – Sundew (B-12D)		1,265		Completed
Mindspace Airoli West (B-4)		52		Completed
Gera Commerzone Kharadi (B-3)		196		Completed
Gera Commerzone Kharadi (B-6)		443		Completed
Upgrade Projects				
The Square, BKC	NA	190	Q1 FY 2021	Q3 FY 2021
Mindspace Airoli East	NA	1,305	Q4 FY 2022	Q3 FY 2023
Mindspace Madhapur (KRIT)	NA	1,144	Q4 FY 2022	Q3 FY 2023
Mindspace Madhapur (Intime)	NA	80	Q4 FY 2022	Q2 FY 2022
Mindspace Madhapur (Sundew)	NA	206		Q2 FY 2023
The Square, Nagar Road	NA	30		Q2 FY 2022
Commerzone, Yerwada	NA	137		Q2 FY 2021
Paradigm, Malad	NA	350		Q4 FY2024
Capex on account of Covid				
Mindspace, Airoli (East)		50		Q3 FY 2021
Mindspace Madhapur (Sundew)		50		Q3 FY 2021
Commerzone, Yerwada		30		Q3 FY 2021
Mindspace Airoli (West)		50		Q3 FY 2021
Total	**2.70**	**11,504**		

Notes:

(1) Cost to be incurred including construction cost, development fee, premiums (excludes interest during construction and general development cost), etc.

(2) In addition to the area shown, Gera Commerzone Kharadi will also incur INR 1,952 MM to develop 0.66 msf area by Q4 FY 2022 which is owned by third party

(3) Received occupancy certificate in June, 2020

7. CFO to NDCF Bridge

The table below provides a reconciliation of Cash flow from operating activities to NDCF

INR MM	FY2021	FY2022	FY2023
Cash flow from operating activities	12,255	14,822	16,150
Cash flow from investing activities(1)	(8,516)	(9,168)	(5,125)
Cash flow from financing activities (2)	2,000	6,577	2,036
Mindspace Business Parks Group NDCF	**5,739(3)**	**12,231**	**13,061**

Notes:

(1) Includes interest income, capital expenditure and interest during construction which is capitalized

(2) Includes interest expense, net debt drawdown, dividend paid to APIIC

(3) While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of this Projections Report, Projections are prepared assuming REIT capital structure comes in existence from October 1, 2020 hence Net Distributable Cash Flow for the fiscal year ending March 31, 2021 is for 2H FY2021

NDCF at Mindspace REIT level is projected to primarily come in the form of dividends, interest income, loan repayment of REIT Funding, as may be the case or in such other form as may be permitted under REIT Regulations from the Asset SPVs. Refer to Distributions Policy on page no. 290 of the Draft Offer Document, for further details. The Manager shall declare and distribute at least 90% of the NDCF of the Mindspace Business Parks Group as distributions to the Unitholders. It is assumed such REIT Distributions shall be declared and paid on a quarterly basis commencing from first full quarter post listing of Units on the Stock Exchanges, and shall be calculated in accordance with the applicable regulations. For further details, please refer to Distribution section of the Offer Document.

8. Other key assumptions

Depreciation and Amortization

Based on internal assessment, supported by technical evaluation conducted by an independent external structural engineer and architect, with effect from April 1, 2019, the SPVs have estimated the useful life of buildings as 75-90 years. The estimated useful life of Plant & Machinery, Electrical installation, Infrastructure & Development and Road Works, with effect from April 1, 2019, is 15 years. The comparable estimates before the revision were 60 years and 10 years respectively. Depreciation for the purposes of Projections has been considered basis the revised useful life. Depreciation for income tax purpose has been considered at the applicable rate of depreciation under IT Act for FY2020 which are expected to be applicable during Projections Period.

Finance costs

The Manager has assumed that REIT Funding (initially financed via net proceeds from primary raise) and/ or Intercompany Debt will repay or replace debt (including pre-payment fees, and processing fees, as the case may be), in part or full, of the certain Asset SPVs. The balance existing external debt and/ or inter Asset SPV debt is expected to continue at the respective Asset SPVs. The Manager, however, shall explore alternatives of debt raise at the Mindspace REIT level to reduce the cost of funding, amongst other things, for the Portfolio. In which case, the external debt of the Asset SPVs shall be replaced, in part or full, with the REIT Funding. For the purpose of the Projections, REIT Funding and Intercompany Debt is estimated to carry a coupon rate of 10.0% per annum and external bank debt is assumed to be at 9.0%.

For the purpose of Projections, any additional debt drawdown at the Asset SPV level is assumed to be non-amortising external debt and is expected to have a cost of 9.0% per annum.

Subject to market conditions, the Manager may consider raising debt financing at the REIT level to replace the debt financing at the Asset SPVs, in such form as would help bring efficiencies in cost of financing, efficiency in distribution with lower leakages and improve the NDCF, which have not been factored into the Projections Report.

9. Additional assumptions

The Manager has made the following additional assumptions in preparing the Projections as on the date of this report:

i. KRC Infra plans to commence facility management business with effect from the first day of the quarter following the listing of the Units on the Stock Exchanges, under the brand name CAMPLUS, for providing facilities management services to all the Asset SPVs under Mindspace REIT. *Accordingly, for the purpose of Projections, it is assumed that KRC Infra would commence facility management business effective October 1, 2020.* The Board of directors of all the Asset SPVs under Mindspace REIT have passed resolution to avail the facilities management services from KRC Infra. For the purpose of Projections, facility management division profitability has been assumed basis such other arrangements within KRC Group

ii. KRC Infra has entered into a construction service contract for buildings which are not part of Mindspace REIT at Gera Commerzone Kharadi. This being a one off transaction, the revenue and related expenses for the same have not been considered for the purpose of Projections.

iii. Certain Asset SPVs have provided loans to select KRC Group companies amounting to INR 21,763 MM as on March 31, 2020 and accrued interest thereon. The Manager and the KRC Selling Unitholders have undertaken that they shall not proceed with the completion of the Offer if the outstanding Group Loans availed by certain KRC Group entities from the Asset SPVs cannot be repaid from the proceeds of the Offer for Sale (through an escrow arrangement) or any other permitted means, including a loan from a bank or a financing institution. These outstanding Group Loans are now proposed to be repaid by the KRC Group in two tranches. A portion of the Group Loans shall be repaid by the KRC Group through the proceeds of loan from a bank/financing institution after the filing of the updated Draft Offer Document with SEBI, but prior to the filing of the Offer Document with SEBI and the Stock Exchanges. The balance portion of the Group Loans shall be repaid by the KRC Group from the proceeds of the Offer for Sale (to be made available by the KRC Selling Unitholders, as the case may be) or any other permitted means, including a loan from banks and / or financing institutions.

iv. MBPPL has issued INR 337 MM 0.001% non-cumulative, redeemable preference shares of INR 100,000 each to KRC Group. The preference shares would be bought by Mindspace REIT as part of Formation Transactions and for Projections redemption of these preference shares is assumed in Q2 FY 2021.

v. All leases are enforceable and will be performed in accordance with their terms

vi. No further equity capital is assumed to be raised during the Projections Period except proposed primary raise

vii. It is assumed that there will be no material change in taxation legislations or other applicable legislations during the Projections Period

Annexure A: Sensitivity Analysis on Material Assumptions

Below table shows impact on the results of operations of the Mindspace Business Parks Group in case of changes in Market Rent. The analysis assumes all other variables remain the same.

Market Rent increases by 10%

	FY2021	FY2022	FY2023
Revenue from operations	17,189	21,433	24,662
% change from base case	*0.3%*	*1.7%*	*2.7%*
NOI	13,535	17,427	20,153
% change from base case	*0.4%*	*2.1%*	*3.3%*
EBITDA	13,767	15,819	18,202
% change from base case	*0.2%*	*2.0%*	*3.2%*
Cash flows from operating activities	12,281	15,139	16,679
% change from base case	*0.2%*	*2.1%*	*3.3%*
NDCF	5,762(1)	12,482	13,500
% change from base case	*0.4%*	*2.1%*	*3.4%*

Market Rent decreases by 10%

	FY2021	FY2022	FY2023
Revenue from operations	17,092	20,689	23,343
% change from base case	*(0.3%)*	*(1.9%)*	*(2.8%)*
NOI	13,438	16,684	18,834
% change from base case	*(0.4%)*	*(2.3%)*	*(3.5%)*
EBITDA	13,689	15,172	17,047
% change from base case	*(0.3%)*	*(2.2%)*	*(3.4%)*
Cash flows from operating activities	12,213	14,475	15,575
% change from base case	*(0.3%)*	*(2.3%)*	*(3.6%)*
NDCF	5,704(1)	11,985	12,666
% change from base case	*(0.6%)*	*(2.0%)*	*(3.0%)*

Below table shows impact on the results of operations of the Mindspace Business Parks Group in case if leasing for area other than pre-leased area in under construction buildings shifts by 6 months. The analysis assumes all other variables remain the same.

Leasing shifts by 6 months for unleased area in under construction buildings

	FY2021	FY2022	FY2023
Revenue from operations	17,058	20,527	23,557
% change from base case	*(0.5%)*	*(2.6%)*	*(1.9%)*
NOI	13,404	16,509	19,056
% change from base case	*(0.6%)*	*(3.3%)*	*(2.3%)*
EBITDA	13,653	14,996	17,228
% change from base case	*(0.6%)*	*(3.3%)*	*(2.4%)*
Cash flows from operating activities	12,123	14,329	15,727
% change from base case	*(1.1%)*	*(3.3%)*	*(2.6%)*
NDCF	5,681(1)	11,980	12,723
% change from base case	*(1.0%)*	*(2.1%)*	*(2.6%)*

Notes:

(1) While the post Offer Capital and corporate structure would be in effect immediately on completion of the IPO, for the purposes of this Projections Report, Projections are prepared assuming REIT capital structure comes in existence from October 1, 2020 hence Net Distributable Cash Flow for the fiscal year ending March 31, 2021 is for 2H FY2021

EXECUTIVE SUMMARY

This summary does not contain all of the information that you should consider before investing in the Units. You should read the entire Offer Document that will be filed with SEBI, carefully before making an investment decision.

Wherever data for the 12-month period ended March 31 has been presented in this section, we have included a reference to "fiscal year" or "financial year" or "FY" along with the relevant year. Any other data included with respect to a period relates to data for relevant calendar year period.

Overview

We own a quality office portfolio located in four key office markets of India. Our Portfolio has Total Leasable Area of 29.5 msf and is one of the largest Grade-A office portfolios in India *(Source: "India Commercial Real Estate Overview" dated June 8, 2020, "C&W Report").* Our Portfolio comprises 23.0 msf of Completed Area, 2.8 msf of Under Construction Area and 3.6 msf of Future Development Area, as of March 31, 2020. Our Portfolio has five integrated business parks with superior infrastructure and amenities (such as restaurants, crèches and outdoor sports arenas) and five quality independent offices. Our assets provide a community-based ecosystem and we believe that they have been developed to meet the evolving standards of tenants and the demands of "new age businesses", which makes them among the preferred options for both multinational and domestic corporations.

We believe that the scale and quality of our Portfolio has given us a market leading position and replicating a similar portfolio of large-scale, integrated business parks by other players may be challenging due to long development timelines and a lack of similar sized aggregated land parcels in comparable locations. We are committed to tenant service and developing long-standing relationships with our occupiers. We have also implemented various sustainability initiatives across our Portfolio, with a focus on clean energy and recycling that enable our tenants to enjoy an efficient working environment.

Over the last two decades, India has emerged as a leading hub for technology and corporate services due to its favourable demographics, large talent pool and competitive cost advantage in providing high value-added services. This has led to an increased demand for quality office space from multinational as well as large domestic corporations. Our Portfolio is located in Mumbai Region, Hyderabad, Pune and Chennai ("**Portfolio Markets**"), which are amongst the key office markets of India and accounted for approximately 58.0% of total Grade-A net absorption in the top six markets in India, namely, Chennai, Mumbai Region, Pune, Hyderabad, Bengaluru and the National Capital Region ("**Top Six Indian Markets**") during the fiscal year 2020 (*Source: C&W Report*). The Portfolio Markets have exhibited strong market dynamics with net absorption exceeding supply, resulting in low vacancy and rental growth between 2014 and Q1 2020 (*Source: C&W Report*). We believe that our assets are located in the established micro-markets of their respective Portfolio Markets, with proximity and/or connectivity to major business, social and transportation infrastructure. We have established a significant presence in our relevant Portfolio Markets. For instance, Mindspace Madhapur and Mindspace Airoli East are the largest business parks in their respective Portfolio Markets (*Source: C&W Report*).

As of March 31, 2020, our Portfolio is well diversified with 172 tenants and no single tenant contributed more than 7.7% of our Gross Contracted Rentals. Furthermore, as of March 31, 2020, approximately 84.9% of our Gross Contracted Rentals were derived from leading multinational corporations and approximately 39.4% from Fortune 500 companies. Our tenant base comprises a mix of multinational and Indian corporates, including affiliates of Accenture, Qualcomm, BA Continuum, JP Morgan, Amazon, Schlumberger, UBS, Capgemini, Facebook, Barclays and BNY Mellon, as of March 31, 2020.

Our Portfolio is stabilized with 92.0% Committed Occupancy and a WALE of 5.8 years, as of March 31, 2020, which provides long-term visibility to our revenues. Our focus on offering a comprehensive ecosystem through optimal density and well-amenitized parks to tenants that provide high value-added services has enabled our assets to outperform in their respective micro-markets. For example, at our Mindspace Airoli East and Mindspace Airoli West properties, we have achieved average power cost savings (approximately between ₹ 3.0 and ₹ 6.0 psf per month for fiscal year 2020) for our tenants through in-house distribution of power. Our Committed Occupancy is 240 bps higher than average occupancy in our Portfolio Markets, as of March 31, 2020, while rental growth has been approximately 320 bps higher for the last three fiscal years (*Source: C&W Report).*

We believe our Portfolio is well positioned to achieve further organic growth through a combination of rent commencement from leased out space which is contracted, as of March 31, 2020, and has not generated rental income for the full year during fiscal year 2020, contractual rent escalations, lease-up of vacant space, re-leasing at market rents (considering the Market Rent across our Portfolio we estimate to realize mark to market of approximately 22.6% above the average In-place Rent, as of March 31, 2020), and new construction within our Portfolio to accommodate tenant demand. Our Portfolio's NOI is projected to grow by 59.2% over the Projections Period, primarily due to these factors.

Between April 1, 2017 and March 31, 2020, through our operating expertise, we have:

- leased 7.6 msf of office space; achieved average re-leasing spreads of 28.9% on 3.0 msf of re-leased space and leased 4.6 msf of new area (including Pre-Leased Area and Committed Area, as of March 31, 2020) to 60 tenants; achieved re-leasing spread of 23.1% for 1.1 msf of area re-leased during fiscal year 2020;
- grown our Portfolio by 4.9 msf primarily through strategic on-campus development of our business parks;
- maintained consistently high Occupancy and achieved Committed Occupancy of 92.0% (240 bps higher than average occupancy in our Portfolio Markets (*Source: C&W Report)*), as of March 31, 2020;
- grown In-place Rent of our Portfolio at a CAGR of 6.7% (approximately 320 bps higher than average rent growth in our Portfolio Markets (*Source: C&W Report)*); and
- undertaken strategic renovations, such as lobby and façade upgrades and addition of cafes, food courts and boardwalks, at certain assets, to improve tenant experience. We have cumulatively invested ₹ 737.0 million to renovate our Portfolio, as of March 31, 2020.

We will be managed by the Manager that is led by Mr. Vinod Rohira, our chief executive officer, who has approximately 20 years of experience in the real estate industry and supported by a seven-member core team with an experience in operating, developing, leasing and managing commercial real estate in India. Our Sponsors are part of the KRC group, a leading real estate company in India with approximately four decades of experience in developing and managing real estate in India. As of March 31, 2020, the KRC group has acquired and/or developed properties across various businesses (approximately 28.5 msf of commercial projects, six operational malls, 2,554 operational hotel keys and residential projects across five cities in India). In addition, KRC group operates 278 retail outlets across India, as of March 31, 2020.

Our Portfolio

The table below shows certain key financial and operational metrics of our Portfolio, as of March 31, 2020.

Portfolio	Type of asset	Total Leasable Area (msf)	Committed Occupancy (%)	WALE (Years)	Revenue from Operations for FY 2020 (₹ million)	Market Value[6] (₹ million)	% of Total Market Value
Mumbai Region		**12.1**	**86.5%**	**5.7**	**6,600**	**92,022**	**38.9%**
Mindspace Airoli East	Business Park	6.8	98.0%	4.8	**3,569**	43,107[5]	18.2%
Mindspace Airoli West	Business Park	4.5	72.3%	8.1	**2,269**	35,205	14.9%
Paradigm Mindspace Malad	Independent Office	0.7	93.8%	3.3	**762**	9,409	4.0%
The Square, BKC[2]	Independent Office	0.1	-	-	-	4,302	1.8%
Hyderabad		**11.6**	**97.4%**	**5.5**	**6,237**	**90,570**	**38.3%**
Mindspace Madhapur	Business Park	10.6	97.6 %	5.6	**6,107**	87,585[1]	37.0%
Mindspace Pocharam	Independent Office	1.0	92.4%	2.9	**130**	2,984	1.3%

Portfolio	Type of asset	Total Leasable Area (msf)	Committed Occupancy (%)	WALE (Years)	Revenue from Operations for FY 2020 (₹ million)	Market Value[6] (₹ million)	% of Total Market Value
Pune		**5.0**	**90.0%**	**7.0**	**4,823**	**42,681**	**18.0%**
Commerzone Yerwada	Business Park	1.7	99.9%	5.6	**1,611**	19,100	8.1%
Gera Commerzone Kharadi	Business Park	2.6	71.3%	10.9	**2,296**	15,486	6.5%
The Square, Nagar Road	Independent Office	0.7	100.0%	5.5	**916**	8,094	3.4%
Chennai		**0.8**	**-**	**-**	**-**	**5,946**	**2.5%**
Commerzone Porur	Independent Office	0.8	-	-	-	5,946	2.5%
Facility Management Division[3]						**5,532**	**2.3%**
Total		**29.5[4]**	**92.0%**	**5.8**	**17,660**	**236,751**	**100%**

(1) The Market Value of Mindspace Madhapur is with respect to 89.0% ownership of the respective Asset SPVs that own Mindspace Madhapur.
(2) The Square, BKC was acquired by us in August 2019 and is currently not leased.
(3) The facility management division, with approximately 140 employees, will be housed in one of the Asset SPVs, KRC Infra, with effect from the first day of the quarter following the listing of the Units. Accordingly, KRC Infra is expected to commence facility management division effective October 1, 2020.
(4) Includes 23.0 msf of Completed Area, 2.8 msf of Under Construction Area and 3.6 msf of Future Development Area.
(5) While Mindspace Airoli East has aggregate development potential of 2.1 msf, Mindspace REIT has currently formulated development plans for 0.9 msf and, accordingly, only 0.9 msf of the future development area has been considered for the purpose of valuation.
(6) Numbers are subject to rounding off

The Total Market Value of our Portfolio, which comprises Market Value of the Portfolio and the facility management division, as of March 31, 2020, as per the Valuer, is ₹ 236,751 million. For impact of COVID-19 on our projections, see "*Projections*" beginning on page 4.

Recent Developments

COVID-19 Pandemic

In the first half of 2020, the infection traced to a novel strain of coronavirus (known as COVID-19) spread to a majority of countries across the world. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 it was declared a pandemic. The COVID-19 pandemic and preventative or protective actions that governmental authorities around the world have taken to counter the effects of COVID-19, including lockdown of business and commercial operations, social distancing, office closures, travel restrictions and the imposition of quarantines, have resulted in a period of economic downturn and business disruption, including restrictions on business activities and the movement of people comprising a significant portion of the world's population, including India.

On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown from March 25, 2020 onwards. The lockdown remains in force in few cities, with limited relaxations being granted for movement of goods and people in other places. Since all of our business and operations are located in India, the COVID-19 pandemic affects our operations due to majority of our tenants limiting their operating staff and hours while others opting to work from home, interruption in construction activities at our under-construction sites due to the government directives to contain the spread of COVID-19, negative impact on the business and financial condition of some of our tenants and their ability to pay rent. While we did not incur significant disruptions in our operations from COVID-19 during the financial year ended March 31, 2020 and collected 99.4% of our Gross Contracted Rentals for the month of March 2020, our properties were not fully occupied by the tenants for the months of April and May 2020. However, we maintained and managed our properties throughout the lockdown to ensure business continuity and safety of our tenants. As of May 31, 2020, Committed Occupancy of our Portfolio was 92.4% and In-place Rent across our Portfolio was ₹ 52.5 psf. We derive 99.4% of our Gross Contracted Rentals from leasing of office premises, and we have not seen a significant decline in the rent receipts during these two months (we have collected 97.8% and 95.2% of our Gross Contracted Rentals for the months of April and May 2020, respectively). While the COVID-19 pandemic has affected majority of the industries, the industries that are being severely impacted by this pandemic include aviation, education, entertainment and events, food and beverage, co-working and hospitality (*Source: C&W Report*). During the months of April and May 2020, 1.0% of our Gross Contracted Rentals were attributable to these industries. Further, we continue to enter into commitments with potential tenants for securing pre-leasing as well as lease-up of vacant space in our assets. Since April 1, 2020, we have leased 0.7 msf of area (of which 40.5% was leased to our existing tenants and 59.5% was leased to new tenants) including pre-committed 42,567 sf of area in our under-construction asset, Commerzone Porur. Also, we have not availed any deferments or moratoriums with respect to any of our financial commitments. However, the complete extent of pandemic's impact on our business and operations for the quarter ending June 30, 2020 and fiscal year 2021 is currently uncertain and its effect on our business and operations in the medium to long term will depend on future developments, including the scope, severity and duration of the pandemic, the actions to contain COVID-19, and the direct and indirect economics of the pandemic and containment measures, among others.

In response to the pandemic and in order to promote the health and safety of tenants and visitors to our properties, we have implemented various measures including restricting access and status check from the *Aarogya Setu App*, screening with thermal cameras and infrared thermometers, social distancing, disinfection of common areas and touch points, sanitization and hand wash stations, ambulance on standby, signages and helpdesks to provide information on protocols to be followed in our buildings, and isolation rooms to isolate employees with symptoms of COVID-19. We have also undertaken infrastructure initiatives for surface disinfection and hygiene initiatives such as vehicle disinfection, auto dispenser and biomedical waste disposal. Further, we are in the process of evaluating and implementing additional measures, such as upgrading the air conditioning system including ultra violet germicidal irradiation lights in air handling unit to further enhance the air quality and ultra violet surface disinfection in our properties. We have also equipped our maintenance staff with personal protective equipment and trained them in COVID-19 safety protocols. We are constantly working towards solutions that could further strengthen our COVID-19 containment measures and provide stakeholders at our properties with a safe working environment.

We shall continue to monitor the effects of COVID-19 on our business operations, our tenants and our suppliers.

OUR COMPETITIVE STRENGTHS

We believe our integrated business parks provide a community-based ecosystem in preferred locations to quality tenants. Our competitive strengths are as follows:

Portfolio with Significant Scale

Our Portfolio comprises five integrated business parks and five quality independent offices, totaling 29.5 msf of Total Leasable Area, comprising 23.0 msf of Completed Area (of which 3.3 msf was achieved in fiscal year 2020), 2.8 msf of Under Construction Area and 3.6 msf of Future Development Area, as of March 31, 2020. Our park infrastructure, amenities, environment-friendly initiatives and active asset management enable our tenants to provide their employees a safe and efficient working environment. We believe this has resulted in Committed Occupancy of 92.0%, Same Store Committed Occupancy (that represents Committed Occupancy for the Portfolio for areas where occupancy certificate was received on or before March 31, 2019) of 96.5%, and growth of In-Place Rent across our Portfolio to ₹ 51.8 psf, as of March 31, 2020. In addition, over the last five fiscal years, we have added 7.5 msf of area, of which 3.3 msf was added in fiscal year 2020, which includes 1.2 msf in Mindspace Madhapur, 1.3 msf in Gera Commerzone Kharadi, 0.7 msf in Mindspace Airoli East and Mindspace Airoli West and 0.1 msf of The Square, BKC.

Our business parks and independent offices with optimal density enable us to provide superior infrastructure and amenities to our tenants. We believe that our assets have been developed and are operated to meet the evolving standards and demands of "new age businesses" making them among the preferred options for both multinational and domestic corporations. We provide core office-building infrastructure that includes dual source power supply with 24x7 power back up, building management systems, fire-fighting and security mechanisms and landscaped surroundings. The building amenities are designed to cater to the needs of our tenants and their employees and include food plazas, restaurants, crèches and several health and recreation facilities such as cafes, clubhouses, amphitheaters, gyms, outdoor sports arenas, recreational gardens and ambulance service.

Our assets are distinguished by their scale and infrastructure, and are strategically positioned in locations with strong tenant demand. Our assets further benefit from proximity and connectivity to major business, social and transportation hubs. Some of our business parks are among the largest in their respective Portfolio Markets – for instance, Mindspace Madhapur and Mindspace Airoli East with a Total Leasable Area of 10.6 msf and 6.8 msf, respectively, are the largest parks in their respective Portfolio Markets *(Source: C&W Report).* We believe that the scale of our assets allows us to attract large, quality tenants and also positions us as the "landlord of choice" for large multinational clients who have pan-India presence.

We have implemented various sustainability initiatives across our Portfolio, with a focus on clean energy and recycling that enable our tenants to enjoy an efficient and eco-friendly working environment. We have installed 1.6 MW of rooftop solar panels between September 2016 and March 31, 2020 and undertake organic farming, dry waste composting and waste water recycling. As of March 31, 2020, 32 buildings in our Portfolio (16.2 msf of Leasable Area) were LEED/IGBC Gold/Platinum certified/pre-certified, demonstrating our commitment towards environment sustainability. Additionally, four of our business parks have been awarded five stars rating by British Safety Council in 2019 and certain of our Asset SPVs have been awarded green initiative awards at various forums, which affirms our commitment to providing a safe working environment to our tenants.

Diversified and Quality Tenant Base with Long-Standing Relationships

As of March 31, 2020, we had 172 tenants, with a WALE of 5.8 years, which provide stability to our Portfolio. Our tenant base is well-diversified with no single tenant contributing more than 7.7% of our Gross Contracted Rentals, as of March 31, 2020. In terms of Gross Contracted Rentals, as of March 31, 2020, approximately 84.9% is attributable to multinational corporations and approximately 39.4% is attributable to Fortune 500 companies. Our quality tenant base comprises a mix of multinational and Indian corporates such as Accenture, Qualcomm, BA Continuum, JP Morgan, Amazon, Schlumberger, UBS, Capgemini, Facebook, Barclays and BNY Mellon, as on March 31, 2020. While tenants from the technology sector have traditionally comprised and continue to comprise our largest tenant base, we have diversified sectoral mix of our tenants with increasing share of non-technology sector tenants by 1,020 bps over the last three fiscal years. Consequently the contribution of technology sector to our Gross Contracted Rentals has decreased to 44.4%, as of March 31, 2020 compared with 54.6%, as of March 31, 2017. We also attract tenants from several other sectors including financial services, telecommunication and media, engineering and manufacturing, healthcare and pharmaceuticals, professional services, e-commerce and others, which represent 22.0%, 10.3%, 7.4%, 6.5%, 3.0%, 2.9% and 3.5%, respectively, of our Gross Contracted Rentals, as of March 31, 2020.

Our tenant base is well-diversified, with our top 10 tenants contributing 41.6% of our Gross Contracted Rentals, as of March 31, 2020, as set out below:

Top 10 Tenants	Sector	Portfolio assets	Occupied Area (msf)	% of Gross Contracted Rentals	WALE (Years)
Accenture	Technology	Mindspace Airoli East, Mindspace Airoli West and Mindspace Madhapur	1.9	7.7	7.6
Qualcomm	Telecommunication and Media	Mindspace Madhapur	1.0	5.3	6.5
Business and technology services company	Technology	Mindspace Airoli East and Mindspace Madhapur	1.2	5.1	7.1
Barclays	Financial Services	Gera Commerzone Kharadi and The Square, Nagar Road	0.7	5.0	11.3
IT solutions and services company	Technology	Mindspace Airoli East	0.9	4.5	4.4
BA Continuum	Financial Services	Mindspace Madhapur and Paradigm Mindspace Malad	0.6	3.0	2.8
Schlumberger	Engineering and Manufacturing	Commerzone Yerwada	0.3	2.9	4.5
JP Morgan	Financial Services	Mindspace Madhapur and Paradigm Mindspace Malad	0.5	2.9	4.2
Amazon	E-Commerce	Mindspace Madhapur, The Square, Nagar Road and Commerzone Yerwada	0.5	2.9	6.3
UBS	Financial Services	Commerzone Yerwada and Mindspace Airoli West	0.4	2.4	10.7
Total			**8.2**	**41.6**	

We believe that our ability to retain tenants across multiple sectors is attributable to our Portfolio's superior infrastructure and regular tenant engagement. As a result, several of our largest occupiers, including a business and technology services company, an IT solutions and services company, Accenture, Qualcomm, BA Continuum, and Barclays, have expanded within our Portfolio and increased their leased area (including Committed and Pre-Leased Area) by 7.9 times, 39.3 times, 15.4 times, 29.9 times, 7.6 times and 3.8 times, respectively, between the start of their relationship with us and March 31, 2020.

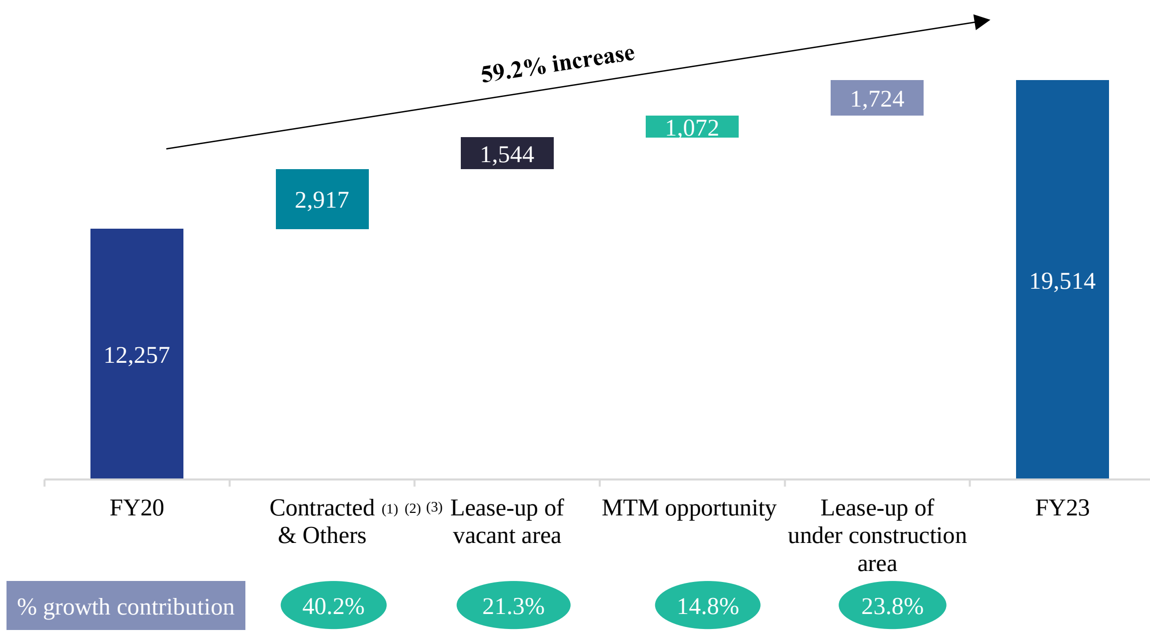
The scale of our Portfolio and its presence across four key office markets of India, has allowed us to offer multi-location options to our tenants. We believe that we have achieved strong growth, through both retaining existing occupiers as well as attracting new tenants that are involved in providing high value added services. Out of 7.6 msf of area leased in the last three fiscal years, 58.8% was leased to our existing tenants and 41.2% to new tenants. In the last three fiscal years, 4.6 msf of new area, including Pre-Leased Area and Committed Area, was leased to 60 tenants (58.1% was leased to new tenants and 41.9% to existing tenants) and 3.0 msf of existing area, including Committed Area, was re-leased at an average re-leasing spread of 28.9% (84.6% was leased to existing tenants and 15.4% to new tenants). New tenants added to our Portfolio during the last three fiscal years include AllState, Worley Parsons, Fiserv, NCR, Barclays, UBS and AtoS, while tenants such as Amazon, Capgemini, Qualcomm and Verizon have leased additional space or re-leased with us.

Leases in India are typically on a "warm shell" basis, resulting in landlords incurring limited tenant improvement capex. Tenants in India typically incur tenant improvement capex between ₹ 2,000 to ₹ 6,000 psf for fitting out the premises according to the nature of business activity and office location unlike other developed markets where landlords spend a significant amount of tenant improvement capex to attract and retain tenants. *(Source: C&W Report)* Since our tenants typically undertake significant tenant improvement capex at their own expense, they have higher "stickiness" due to high relocation costs.

Portfolio with Stable Cash Flows and Strong Growth Potential

Our Portfolio is stabilized with 92.0% Committed Occupancy (240 bps higher than our Portfolio Markets) (*Source: C&W Report)*), 96.5% Same Store Committed Occupancy and a WALE of 5.8 years, as of March 31, 2020. We have demonstrated strong growth over the last three fiscal years, with 7.6 msf of total leasing – this comprises 4.6 msf of new area leased and 3.0 msf of existing area re-leased at a re-leasing spread of 28.9%. In addition, over the same period, we have grown our Portfolio by approximately 4.8 msf primarily through on-campus development of our business parks. We intend to use a combination of rent commencement from leased out space which is contracted, as of March 31, 2020, and has not generated rental income for the full year during fiscal year 2020, contractual rent escalations, lease-up of vacant area, re-leasing at market rents and on-campus development of our existing business parks to continue the growth of our Portfolio.

NOI bridge
(INR million)



*(1) **"Contracted & Others"** include contractual escalations, full year impact of contractual leases; others primarily include revenue from power supply, impact of Ind AS adjustments, downtime and vacancy allowance*

(2) Includes NOI from leases which are contracted, as of March 31, 2020, and has not generated rental income for the full year during fiscal year 2020.

(3) 1.8% of growth contribution is on account of Ind AS adjustments.

For further details, see "Projections" beginning on page 4.

- *Stable cash flows with contracted occupancy and escalations:* The tenure of our leases is typically five to ten years, with an initial commitment of generally three to five years and renewal options post initial commitment period. While majority of our leases have rental escalations of 12.0% to 15.0% every three years, we have recently started leasing with rental escalations between 4.0% to 5.0% every year. In addition, we expect rent commencement from leased out space which is contracted, as of March 31, 2020, and has not generated rental income for the full year during fiscal year 2020, to contribute to the growth of our Portfolio. Over the Projections Period, Contracted & Others are expected to contribute approximately ₹ 2,917 million (40.2%) of the total increase in our net operating income ("**NOI**"), see "*Projections*" beginning on page 4.

- *Proven mark-to-market potential across our Portfolio:* We have a demonstrated track record of driving rent growth by re-leasing to quality tenants at market rents. Over the last three fiscal years, we have re-leased approximately 3.0 msf at rents, which were on average 28.9% higher than In-place Rents. For instance, over the last three fiscal years, we re-leased 0.3 msf and 1.4 msf at our assets, Commerzone Yerwada and Mindspace Madhapur, at a re-leasing spread of 32.6% and 41.2%, respectively.

  Due to the strength of our micro-markets and considering the rents we have achieved on the recent leasing done across our Portfolio we believe that the estimated Market Rent of our Portfolio is ₹ 63.5 psf, which is 22.6% above the average In-place Rent, as of March 31, 2020. With 24.6% of our Gross Contracted Rentals expiring over fiscal year 2021 to fiscal year 2023, we believe this presents a strong mark-to-market re-leasing opportunity to drive our rental growth. Over the Projections Period, mark-to-market revisions are expected to contribute approximately ₹ 1,072 million, or 14.8%, of the total increase in our NOI. The following table sets out certain data relating to expiration of our Occupied Area and mark to market potential for the periods indicated below:

Particulars	Fiscal		
	2021	2022	2023
% expiration of Occupied Area	1.8	1.8	2.0
% expiration of Gross Contracted Rentals	8.0%	7.1%	9.6%
Base Rents at expiration (₹ psf/month)*	48.5	45.2	54.9
Mark to market potential**	33.9%	40.3%	30.9%

** Base Rents at expiration adjusted for area efficiency basis current market practice.*
*** For mark to market potential, we have only included disclosure for the Projections Period.*

- *On-Campus development of existing business parks:* We undertake on-campus development within our business parks based on tenant demand and market conditions. For instance, over the last five fiscal years, we have constructed 6.1 msf (of which 1.9 msf was completed in fiscal year 2020, which includes 1.2 msf in Mindspace Madhapur and 0.7 msf in Mindspace Airoli East and Mindspace Airoli West) in our business parks, while maintaining Committed Occupancy of more than 92.0% at the end of each of those years. As of March 31, 2020, 94.0% of the Market Value in our Portfolio is derived from Completed Area and area for which Occupancy Certificate ("OC") has been applied for, as set forth below:

Particulars	Area (msf)	Market Value (₹ million)	% of the Market Value
Completed Area	23.0	216,558	91.5%
Area for which OC has been applied for as at March 31, 2020 (1)	0.8	5,946	2.5%
Under Construction Area(2) / Future Development Area(3)	5.7	14,247	6.0%

(1) *OC received in June 2020.*
(2) *Under Construction Area excludes area for which OC has been applied for.*
(3) *While Mindspace Airoli East has aggregate development potential of 2.1 msf, Mindspace REIT has currently formulated development plans for 0.9 msf and, accordingly, only 0.9 msf of the future development area has been considered for the purpose of valuation.*

  As of March 31, 2020, our Portfolio has a current development pipeline of 6.5 msf on land that is located within our business parks, of which 2.8 msf is under construction, as set forth below:

Assets	Location	Under Construction Area (msf)	Expected Completion
Commerzone Porur - Tower A and B	Chennai	0.8	Q1 FY 2021(1)

Assets	Location	Under Construction Area (msf)	Expected Completion
Mindspace Airoli West - B9	Mumbai Region	1.0	Q4 FY 2021
Mindspace Madhapur - B22 (Hotel Building)	Hyderabad	0.1	Q4 FY2021
Gera Commerzone Kharadi - B 5	Pune	0.7	Q3 FY 2022
Mindspace Pocharam - B 9	Hyderabad	0.2	Post FY 2023
Total		**2.8**	

(1) OC received in June 2020.

As of March 31, 2020, we have pre-committed 0.2 msf of area in our under-construction assets, Mindspace Airoli West and Mindspace Madhapur. 9.0% and 11.0% of area expected to be completed in fiscal year 2021 has been pre-leased, as of March 31, 2020 and May 31, 2020, respectively. Over the Projections Period, on-campus developments are expected to contribute approximately ₹ 1,724 million, or 23.8%, of the total increase in our NOI.

- *Well positioned to achieve further growth through the lease-up of existing vacant space*: Given the strength of our Portfolio, we believe that we are well positioned to achieve further growth through the lease-up of existing vacant space in our assets. As of March 31, 2020, our Portfolio has 92.0% Committed Occupancy. The vacancy of 8.0% is concentrated in three assets, Mindspace Airoli West, Gera Commerzone Kharadi and Mindspace Madhapur, which respectively comprises 51.9%, 19.9% and 12.8% of the total vacancy, as of March 31, 2020. Our vacant space is primarily concentrated in large blocks of contiguous space on individual or multiple floors, which we believe could be attractive to larger tenants. Over the Projections Period, lease up of existing vacancy is expected to contribute ₹ 1,544 million, or 21.3%, of the total increase in our NOI.

- *Flexible capital structure for inorganic growth:* Post listing our Units, our indebtedness at the Asset SPV level is projected to continue to be in the form of interest bearing loans and in future, when debt markets are favorable, we intend to refinance all or part of the debt at Asset SPVs by raising debt financing at the Mindspace REIT level, to help bring efficiencies in cost of financing and improve the net distributable cash flows. We plan to reduce our leverage by utilizing a significant portion of Net Proceeds from the Fresh Issue to repay certain indebtedness incurred by the Asset SPVs. For instance, our total indebtedness as of March 31, 2020 was ₹ 73,823 million, pro forma the consummation of the Offer and the repayment of a portion of our indebtedness from the Net Proceeds from the Fresh Issue, we expect our total indebtedness on listing to be approximately ₹ 36,140 million, 15.3% of our Market Value (including Market Value of facility management division) at the time of listing of Units pursuant to the Offer. We believe that our balance sheet with reduced leverage will enable us to drive growth by undertaking value-accretive future acquisitions, both through new transactions as well as acquisition of ROFO assets from the KRC group, if they seek to sell them. Two of these assets, Commerzone Pallikaranai and Commerzone Madhapur are currently expected to be completed by fiscal year 2023. The details of identified ROFO Assets are set forth below:

Asset	Location	Completed Area (msf)	Under Construction Area (msf)	Future Development Area (msf)	Approximate Total Leasable Area (msf)
Mindspace Juinagar	Mumbai Region	0.8	0.2	4.0	5.0
Commerzone Pallikaranai	Chennai	-	0.6	1.2	1.8
Commerzone Madhapur	Hyderabad	-	1.8	-	1.8
Total		**0.8**	**2.6**	**5.2**	**8.6**

Strong Industry Fundamentals

India's services sector continues to be the key driver of India's growth and represented 54.3% of India's gross value added ("**GVA**") during fiscal year 2019. Within the services sector, the technology industry has been the major growth driver. According to C&W Report, this growth in technology services is driven by:

- *Large English-Speaking Talent Pool:* India has the second largest English-speaking population in the world and a large talent pool of highly skilled graduates (4.8 million graduates in fiscal year 2019) (*Source: Ministry of Human Resource Development, Government of India*) Additionally, in 2016, 2.6 million students graduated in science, technology, engineering and medicine ("**STEM**") disciplines in India, which was the second highest in the world *(Source: World Economic Forum).*

- *Competitive Cost Advantage*: The cost of sourcing services from India is approximately 81.0% lower than Tier II cities in the United States. Rents in our Portfolio Markets in Q1 2020 were 50% to 90% lower in comparison to major global cities such as Shanghai, New York, London, Hong Kong and Singapore *(Source: C&W Report).*

- Transition to Value Added Services: India's services sector has successfully transitioned from being a low cost support and business process outsourcing location to a hub for high value added services and digital business offerings (IoT, cloud, analytics, block chain and digital solutions) (Source: C&W Report). The quality of India's workforce and office infrastructure as well as its significant cost advantage has also resulted in several multinational companies from diverse sectors (such as Google and JP Morgan) setting up their GCCs in India.

Presence in Four Key Office Markets of India

We believe that our large, campus style developments with proximity to key infrastructure are uniquely positioned to capitalize on the growing demand for quality office space in India. Our Portfolio has a leading position in our Portfolio Markets and we believe that replicating a similar portfolio of large-scale, integrated business parks by other players may be challenging due to long development timelines and lack of similar sized aggregated land parcels in comparable locations.

Our Portfolio is located in four key office markets of India, namely Mumbai Region, Hyderabad, Pune and Chennai. Our Portfolio Markets benefit from robust in-place transportation infrastructure and have exhibited strong underlying growth fundamentals such as economic and employment growth, educated workforce and favourable demand and supply trends. Our Portfolio Markets are among the leading global markets, by absorption. According to C&W Report, 100.3 msf was leased in our Portfolio Markets between 2014 and Q1 2020, which is approximately equal to the combined leasing in eight leading overseas office markets such as New York, Central London, San Francisco and Singapore. In addition, absorption for our Portfolio Markets is approximately 2.0 times the combined absorption of San Francisco, Greater Los Angeles and New York over the same period (*Source: C&W Report*).

Our Portfolio Markets are amongst the key markets in India and accounted for approximately 58.0% of total Grade-A net absorption in the Top Six Indian Markets during the fiscal year 2020. Our largest market, Hyderabad, has emerged as India's largest office market by net absorption in FY 2020 due to its strong technology businesses related ecosystem, robust infrastructure and favorable government policies. *(Source: C&W Report)*

Our Portfolio Markets experienced strong growth in demand between 2014 and 1Q 2020, with net absorption (100.3 msf) exceeding supply (96.4 msf). As a result, our Portfolio Markets have witnessed a decline in vacancy from 17.2% in 2014 to 10.4% in Q1 2020. While the commercial real estate sector might face some challenges and witness constrained absorption in the near term due to COVID-19, the contraction of supply in our Portfolio Markets is expected to offset any significant impact on demand. *(Source: C&W Report)*

Experienced Management Team Backed by the KRC group

We will be managed by the Manager led by Mr. Vinod Rohira, our chief executive officer, and Ms. Preeti Chheda, our chief financial officer. Mr. Vinod Rohira has been instrumental in leading the development of approximately25.0 msf of commercial real estate for the KRC group, across India. Ms. Preeti Chheda has approximately 20 years of experience, including 12 years with the KRC group, in equity and debt fund raising, acquisitions, overseeing the management of commercial real estate assets, raising private equity for real estate projects, investor relations and financial reporting.

Our Sponsors are Anbee Constructions LLP and Cape Trading LLP, which form part of the KRC group, which is one of the leading and reputed real estate developers in India with significant experience and knowledge of undertaking large-scale real estate developments across India. As of March 31, 2020, the KRC group has acquired and/or developed properties across various businesses (approximately 28.5 msf area of commercial projects, six operational malls, 2,554 operational hotel keys and residential projects across five cities in India). In addition, KRC group operates 278 retail outlets across India, as of March 31, 2020. The KRC group has approximately 40 years of strong real estate experience, and has a dedicated multi-skilled workforce of approximately 9,300 employees across its various real estate and retail businesses, as of March 31, 2020.

INDUSTRY OVERVIEW

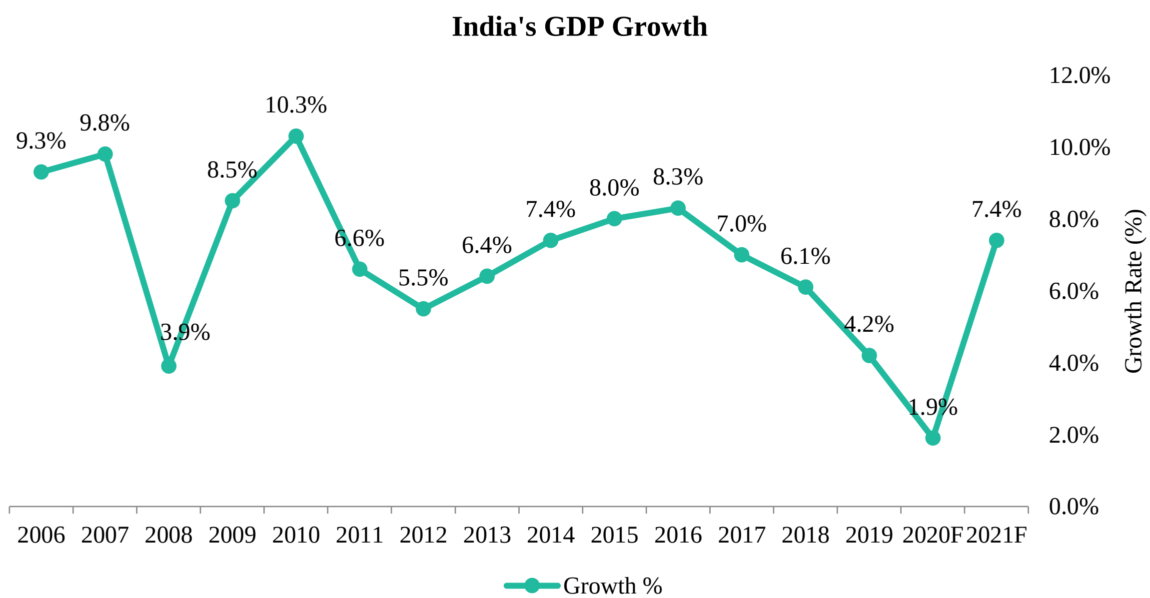
*The information contained in this section is derived from the report titled "India Commercial Real Estate Overview" dated June 8, 2020 prepared by Cushman & Wakefield ("**Cushman & Wakefield Report**" or "**C&W Report**") and commissioned by the Manager in relation to the Offer. Neither we, nor any other person connected with the Offer has independently verified this information.*

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

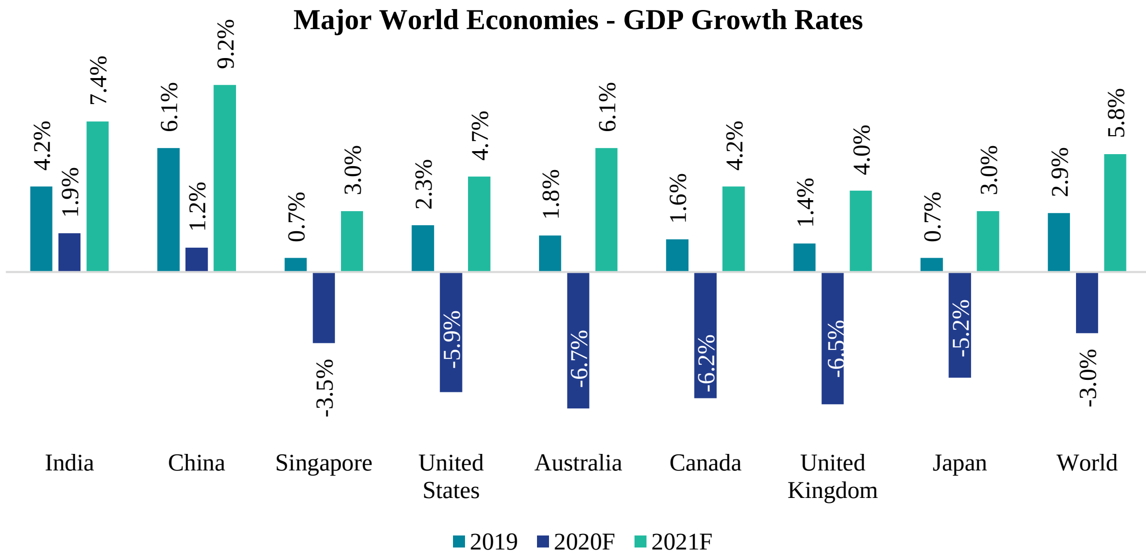
Wherever data for the 12-month period ended March 31 has been presented in this section, we have included a reference to "fiscal year" or "financial year" or "FY" along with the relevant year. Any other data included with respect to a period relates to data for relevant calendar year period.

Overview of the Indian Economy

India is the second-most populous country in the world and the fifth-largest economy in the world for 2019, according to the International Monetary Fund ("**IMF**"). India's Gross Domestic Product ("**GDP**") grew by 6.1% in 2018, making it the fastest growing major economy in the world, and 4.2% in 2019. In the first half of 2020, the infection traced to a novel strain of coronavirus (known as COVID-19) spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19. While India's GDP growth is forecasted to decline to 1.9% in 2020 due to various factors including COVID-19, it is expected to rise up to 7.4% in 2021. India's economy amounts to US$ 2.9 trillion, which represented a 3.4% share in global GDP in 2019. The Government of India in its 2020 Union Budget has outlined the vision to make India a "US$ 5 trillion economy". *(Source: IMF and Public Information Bureau)*



(Source: IMF)

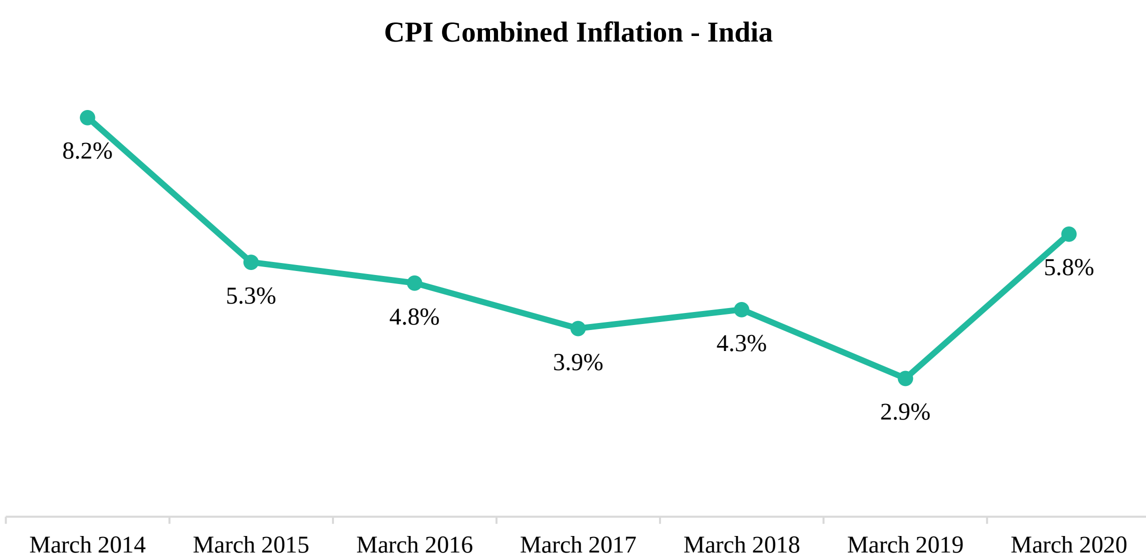


(Source: IMF)

India's GDP growth of 4.2% in 2019 is higher than major world economies like USA (2.3%), Australia (1.8%) and UK (1.4%), as illustrated above. While India's forecasted GDP growth has reduced to 1.9% in 2020, it is higher than major world economies like Singapore, USA, Australia, Canada, UK and Japan, which have reported a negative trend.

Robust Economic Indicators

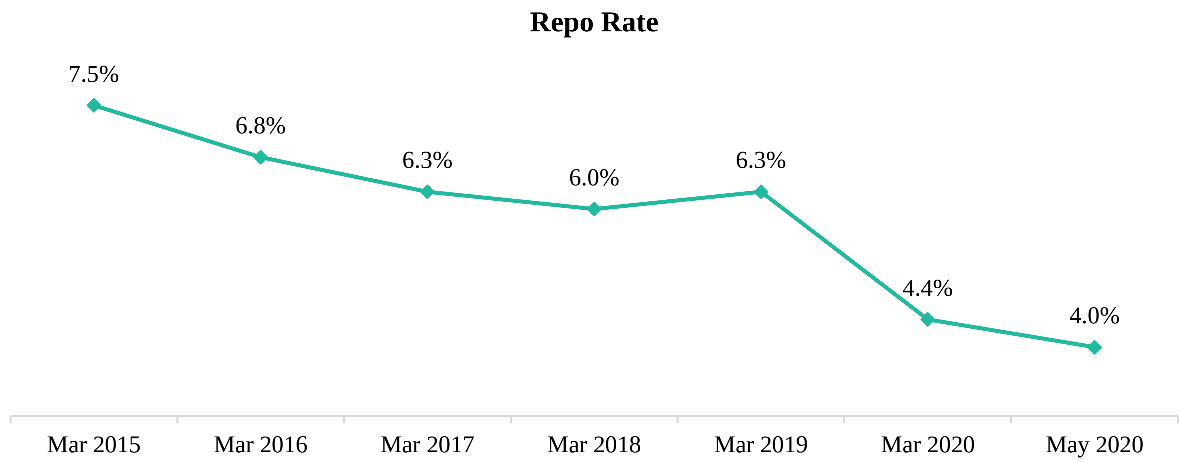
Stable Inflation Environment. Consumer Price Index ("**CPI**") inflation in India has declined from 8.2% in March 2014 to 5.8% in March 2020**.** However, the Monetary Policy Committee of the Reserve Bank of India expects the inflation to ease out in the second half of FY 2021.



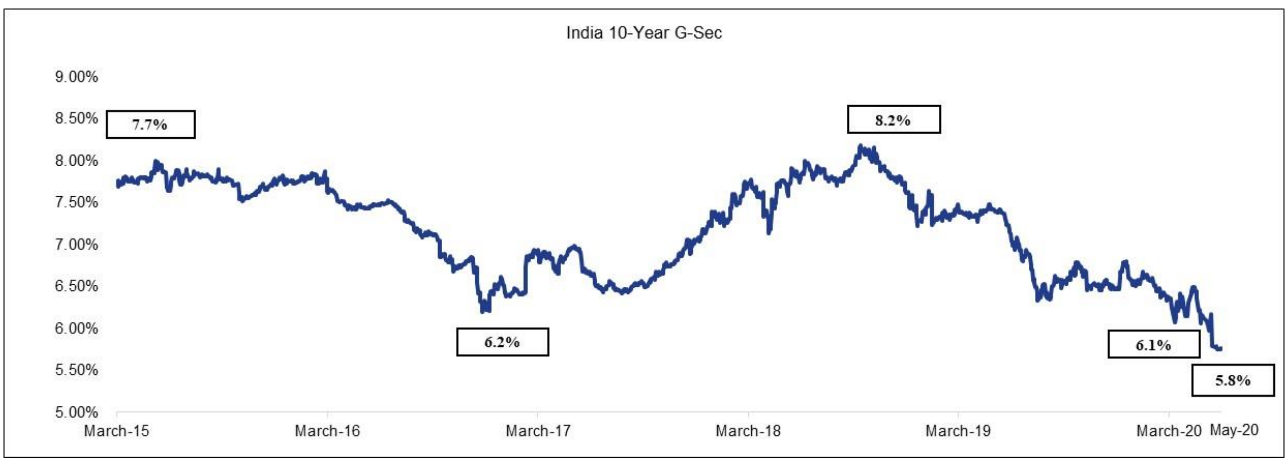
(Source: Reserve Bank of India)

Declining Interest Rates. RBI has reduced repo rates by 350 bps between March 2015 and May 2020. 10-year Indian G-Sec yields have declined by approximately 198 bps over the same period.

Although the Central Bank has reduced the repo rates by 175 bps since June 2019, the transmission of interest rate reduction to borrowers is underway.

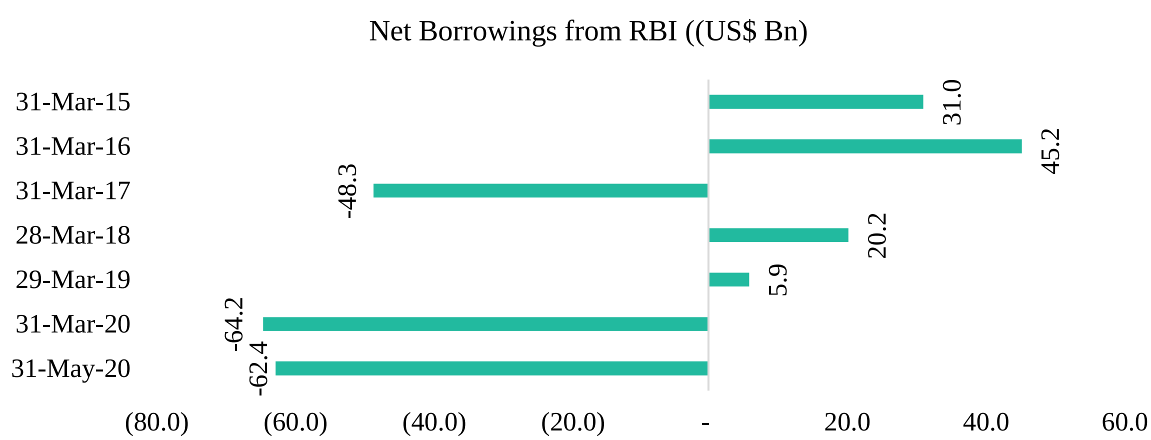


(Source: Reserve Bank of India)



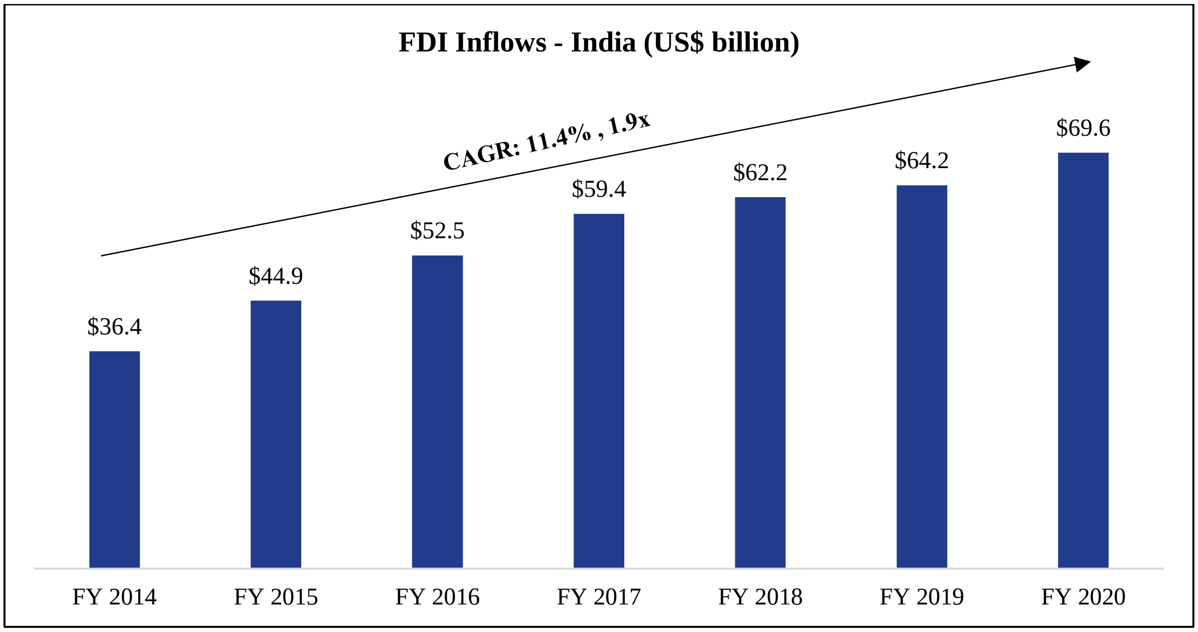
(Source: Bloomberg)

Availability of Liquidity. Due to the current COVID-19 pandemic, despite the reduction in policy rates, the banking system has parked surplus liquidity with the Reserve Bank of India, indicating a cautious approach towards lending.



(*Source: Reserve Bank of India, Note: Exchange rate as per RBI)*

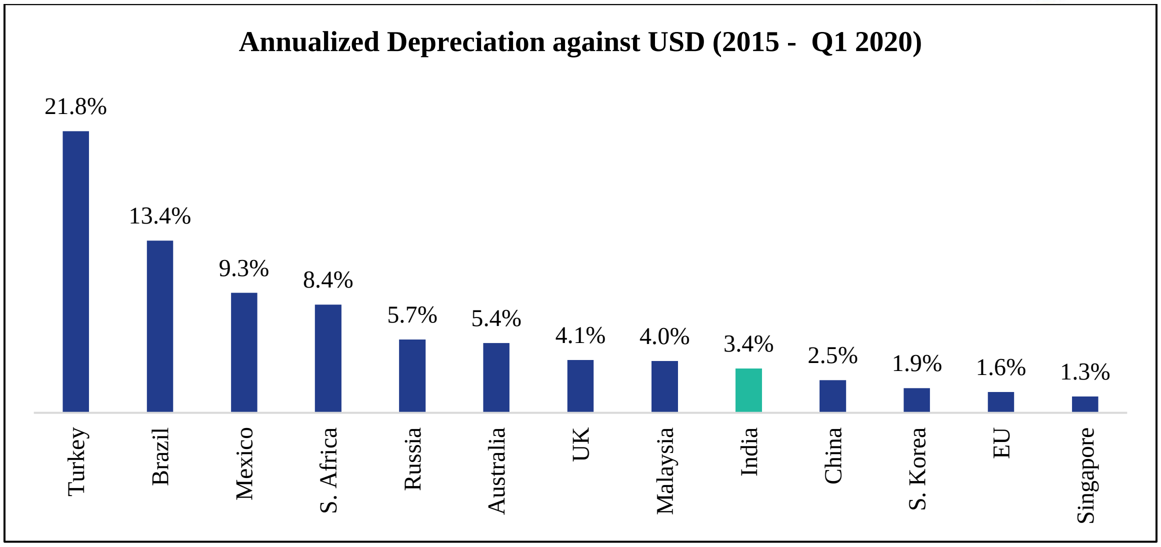
Strong Interest of Long-Term Foreign Investors. India has remained an attractive destination for long-term foreign capital investments, also referred to as Foreign Direct Investments ("**FDI**"). The total FDI flows from April 2000 to March 2020 were US$ 681 billion, of which US$ 18 billion was received between January 2020 and March 2020. The FDI inflow for FY 2020 was US$ 69.6 billion, highest in a financial year. (*Source: Department for Promotion of Industry and Internal Trade*).



(Source: Department for Promotion of Industry and Internal Trade)

The Indian real estate sector has attracted substantial institutional interest over the last six years with cumulative FDI flows to the construction sector at US$ 3.6 billion between FY 2014 and FY 2020. Cumulative foreign investment in Indian office assets has been US$ 10 billion between 2014 and Q1 2020.

Stable Currency. India's foreign exchange reserves, as of May 2020, were at an all-time high of US$ 493 billion. (*Source: Foreign Exchange Reserves, RBI data*). Due to strong forex reserve and proactive policies of the Government, Indian Rupee has witnessed moderate and predictable depreciation compared to other emerging market currencies. The following graph shows the annualised depreciation of the local currency of various countries against the US$:



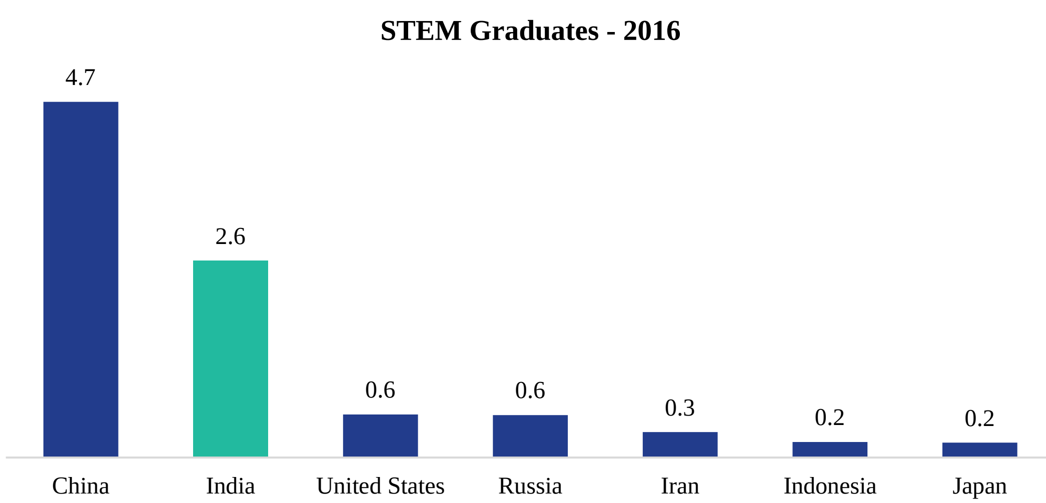
(Source: Bloomberg)

Strong Demographics

- *Growing Young Population:* At 333 million people (*Source: Census of India, 2011*), India had the world's largest young population (i.e. 15 to 29 years of age) in 2011, which was 3.7 times the size of the young population in the USA. India's young population is expected to further grow to 367 million by 2021 (*Source: Ministry of Statistics and Program Implementation ("**MOSPI**")*).

- *Increasing Urbanization:* At 461 million, India had one of the highest urban population in the world in 2018, which was 1.4 times the total population of the USA. India's urban population is expected to further grow to 543 million by 2025 (*Source: United Nations, Department of Economic and Social Affairs*).

- *Leading STEM Workforce:* In 2016, 2.6 million students graduated in science, technology, engineering and mathematics ("**STEM**") disciplines in India, which was the second highest in the world *(Source: World Economic Forum)*. As per the Ministry of Human Resource Development, in FY 2019, approximately 4.8 million students graduated in India.



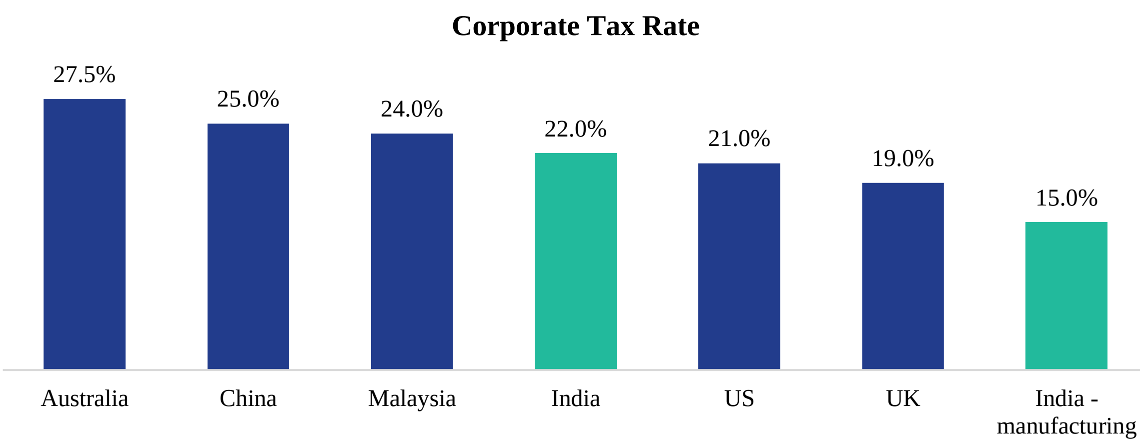
(Source: World Economic Forum)

Major Structural Reforms by the Indian Government to Fuel Growth

Goods and Services Tax, 2017 ("**GST**"). GST is a unified sales tax, which has replaced approximately ten central, state and local taxes in India. Implementation of GST has removed the cascading effects of tax with the objective of increasing cost efficiency, reducing prices and leading to the formation of a unified national market.

*Real Estate Regulation and Development Act, 2016 ("**RERA**").* The RERA was introduced to protect the interest of buyers and enhance transparency in the real estate sector.

Corporate tax rate cut: On September 20, 2019, Government of India announced reductions in corporate tax rates from 30.0%/ 25.0% to 22.0%. The manufacturing sector was given a further stimulus with a reduced corporate tax rate of 15.0% for companies in the sector, incorporated after October 1, 2019. A comparison of the corporate tax rates for companies in select countries as on March 31, 2020 is reproduced below:



(Source: irs.gov, gov.uk, chinatax.gov.cn, ato.gov.au, and hasil.gov.my)

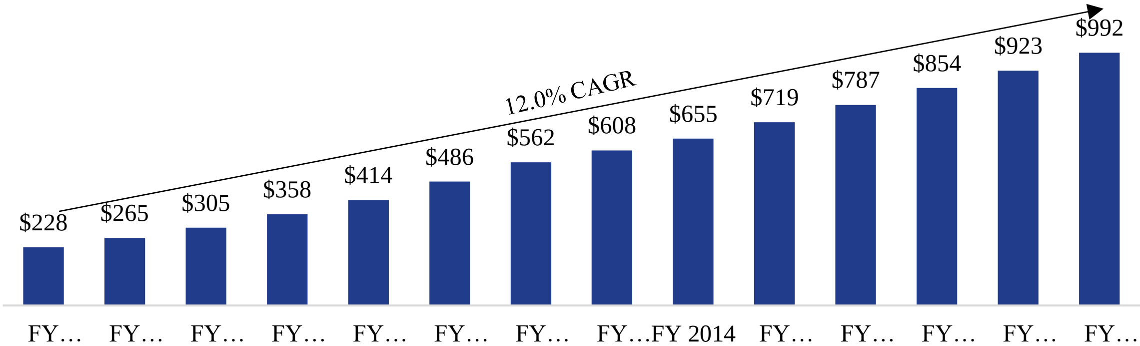
*Insolvency and Bankruptcy Code, 2016 ("**IBC**").* The IBC was introduced with the aim of providing a time bound, unified insolvency process, and aims to maximize recovery by preserving companies as a going concern.

Other Initiatives. There have been several government initiatives aimed at improving India's competitiveness and ease of doing business. Increased spending on infrastructure (US$ 1.4 trillion over the next five years (*Source: Union Budget of India 2020 - 2021*), FDI reforms across multiple sectors, *Make in India* initiative, push towards *Digital India* and incentives to start-ups have enhanced India's competitiveness globally. The *Make in India* initiative was launched to facilitate investment, foster innovation, enhance skill development, protect intellectual property, shift towards localization and build best-in-class manufacturing infrastructure in India. The focus on reforms by the Government and supportive monetary policy augur well for long term growth. India ranked 68th in World Economic Forum's Global Competitiveness Index in 2019. It has jumped 79 ranks (current rank 63) in World Bank's Ease of Doing Business Rankings between 2014 and 2019 and is among the top 20 countries, which have improved their regulatory framework, making it easier to do business in the country. Large market size and regulatory support have helped India emerge as the second largest start-up hub globally *(Source: Doing Business by World Bank).*

Overview of Indian Services Sector

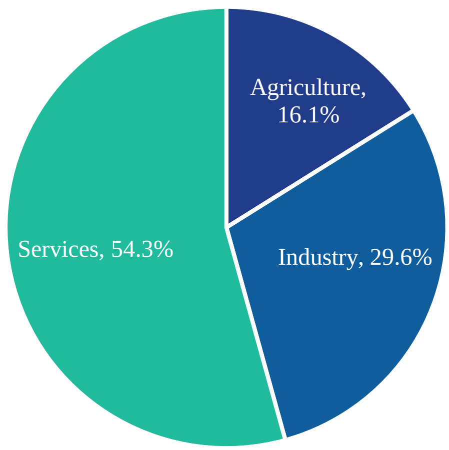
The services sector continues to be the key driver of the Indian economy and represented approximately 54.3% of India's gross value added ("**GVA**") in FY 2019 as compared to 29.6% for industry and 16.1% for agriculture sector. GVA of services sector increased to US$ 1.0 trillion in FY 2019 recording a growth rate of 7.5% from the last financial year. In 2018, India was the eighth largest exporter of commercial services with a global market share of 3.5%

GVA of Service sector (US$ billion)



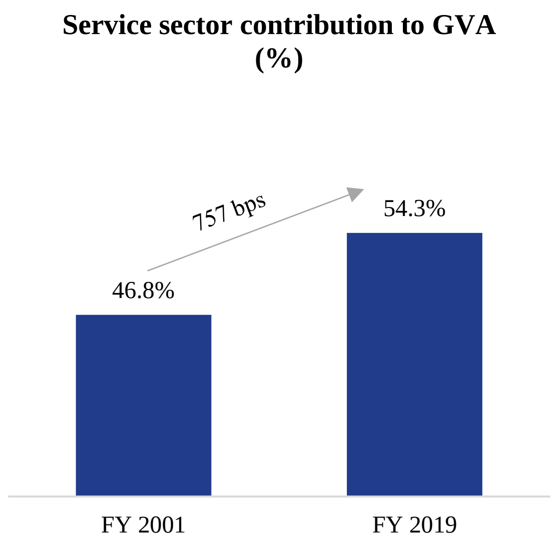
(Source: RBI and MOSPI)
Note: As per RBI, exchange rate as of September 30, 2019 has been taken as Rupees 70.7 per USD.

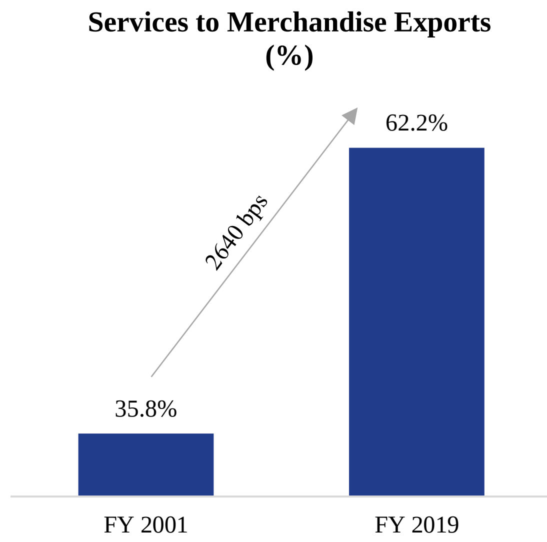
Share of Service sector in FY 2019 GVA



(Source: Economic Survey 2018-2019, Ministry of Finance)
Note: Technology sector is part of the services sector.

The following graph represents the contribution of the services sector to GVA and ratio of services to merchandise exports from FY 2001 to FY 2019:

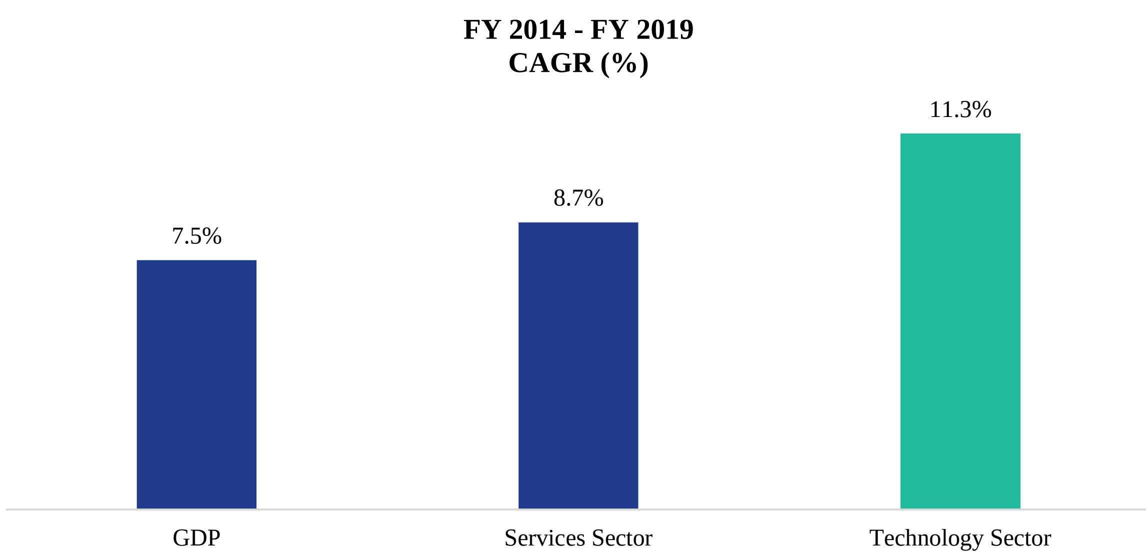




(Source: RBI, MOSPI)

Technology Industry

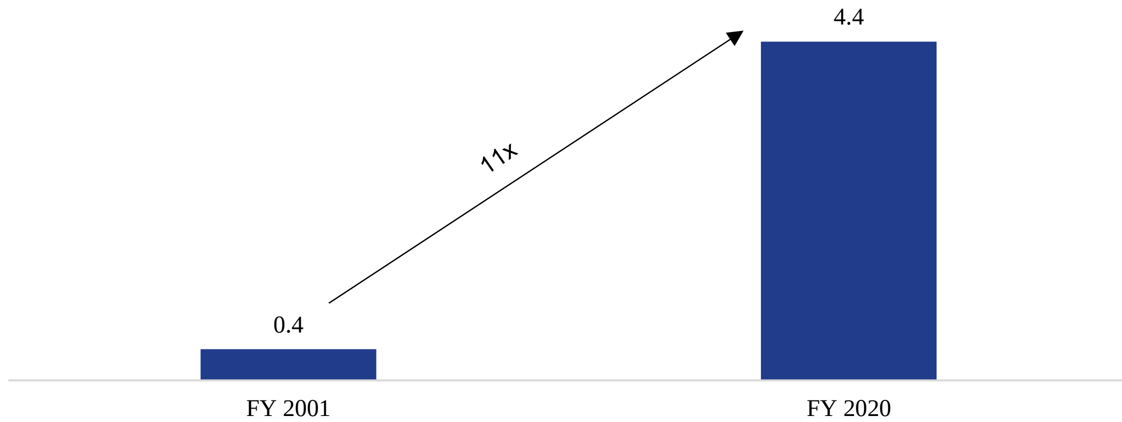
The structural shift of the Indian economy from agriculture to manufacturing and services is largely credited to the emergence of Indian technology industry. The technology industry in India is expected to grow to US$ 350 billion in FY 2025 from US$ 191 billion in FY 2020. The technology industry has outperformed the GDP growth rate and has witnessed consistent growth with CAGR of 11.3% (FY 2014 – FY 2019), 381 bps higher than GDP growth as represented below:



(Source: IMF, RBI, NASSCOM)

The number of direct employees in the technology sector has grown 11 times between FY 2001 to FY 2020, as represented below:

Number of Direct Employees in Technology Sector (in million)

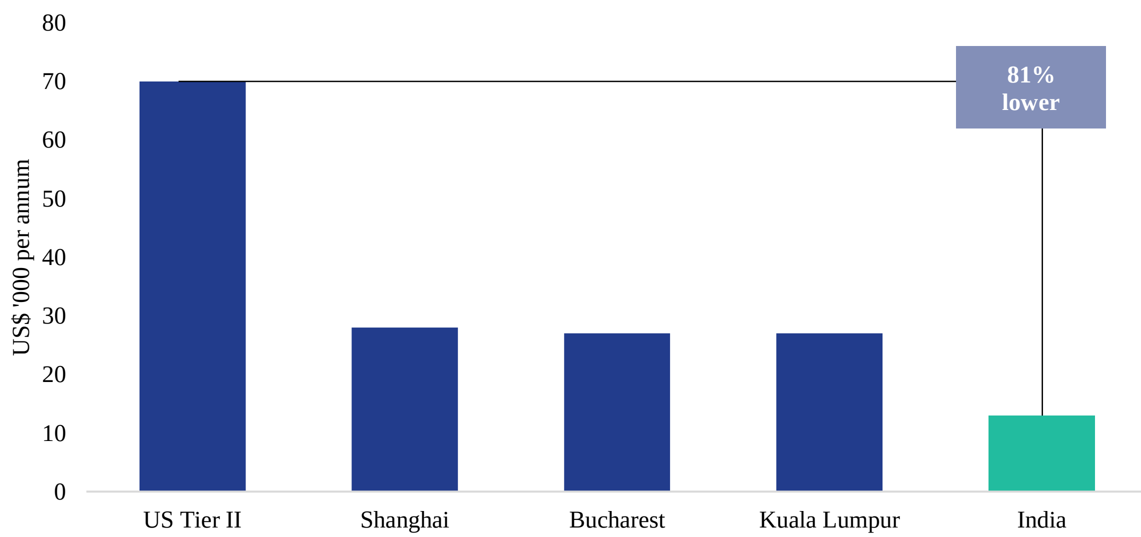


(Source: NASSCOM)

Key Drivers for Success of Indian Technology Industry

Competitive Cost Advantage - India is one of the preferred destinations for technology services in the world and continues to be a leader in the global outsourcing industry with a 56% market share *(Source: NASSCOM, Techade Strategic Review 2020)*. India's unique selling proposition is its cost competitiveness in providing technology services, which are relatively more cost-effective than the USA. The cost of sourcing services from India is approximately 81% lower as compared to Tier II cities in the USA. The following graph sets forth operating cost per full-time employees for select cities in the world:

Operating Cost per Full Time Employee



(Source: NASSCOM, Strategic Review 2019)
Note: Data for India pertains to Bengaluru city.

Availability of Talent Pool and Affordable High-Quality Office Infrastructure - With several educational institutions offering quality STEM education, India today has one of the largest pools of highly-qualified technical graduates in the world (2.6 million students graduated in STEM disciplines in 2016) and the second largest English-speaking population in the world. According to NASSCOM, Techade Strategic Review 2020, India has more than 880,000 digitally skilled employees, one of the largest globally. This facilitates India's emergence as a preferred technology destination for MNCs. Due to the global nature of the work, technology companies often require infrastructure that supports 24/7 work environment. Availability of high-quality offices conforming to global standards at affordable rates has further enhanced India's appeal for such MNCs.

Supportive Government Policies - The Government has outlined multiple initiatives to boost the technology ecosystem in India including (i) Digital India; (ii) Start-up India; (iii) formalising the National Policy on Software Products – 2019; and (iv) National Program on Artificial Intelligence. The success of the industry can be gauged from the fact that the Indian technology industry caters to most of the Fortune 500 companies and is rapidly expanding into newer geographies, technology platforms, product and service verticals. Out of the total export of information technology and business process management services in FY 2020E, exports to USA contribute approximately 62% followed by United Kingdom and continental Europe with approximately 17% and 11%, respectively. (*Source: NASSCOM, Techade Strategic Review 2020*)

Evolution of Indian Technology Industry: Cost Arbitrage to Digital Business

1980 – 1990: Cost Arbitrage - USA based companies began outsourcing work to India because of availability of skilled talent pool and low cost of workforce. The work primarily involved low-end support along with some development.

1990 – 2000s: Collaboration - Firms in India expanded the scope and size of deliverables with more companies setting up their bases in India. The scope of work included more information technology support along with business process outsourcing and call centre facilities.

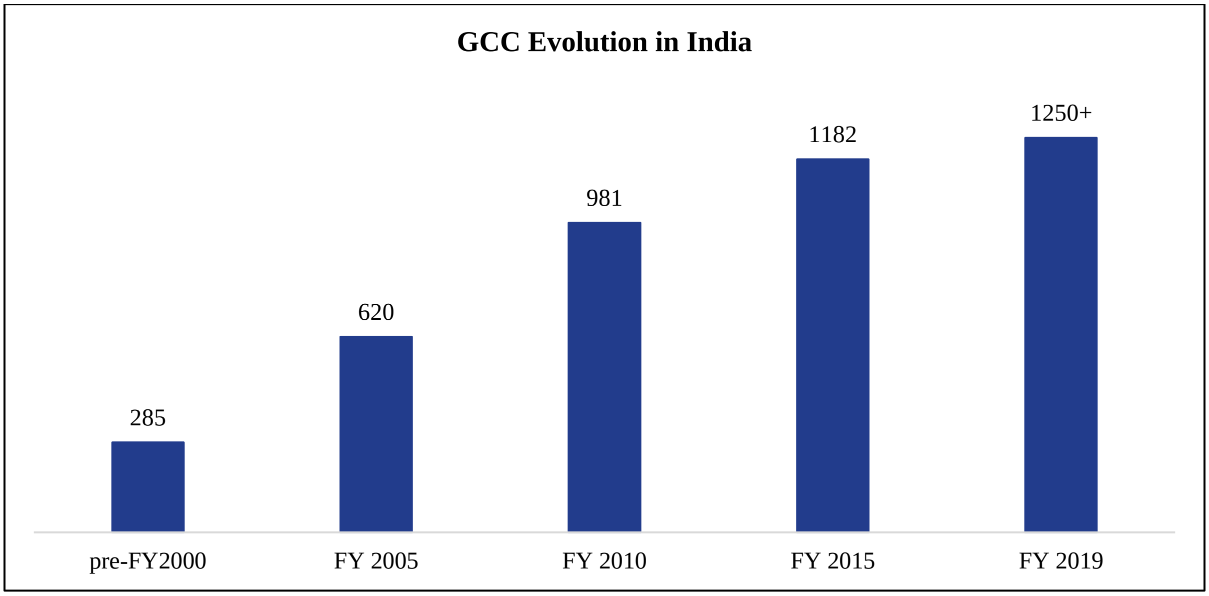
2000 – 2010: Value Addition - Establishment of Global In-house Centres ("**GICs**, also called Global Capability Centres ("**GCCs**")). Indian companies expanded by setting up delivery centres globally. The special economic zone ("**SEZ**") policy introduced in 2000 provided a package of incentives and aided in increasing foreign investments in the technology sector.

2010 – 2019: Digital Business - With the increasing quality of talent pool and affordable cost, the quality of work performed from India improved substantially. Delivery of enriched work such as web-based analytics, artificial intelligence, robotics, IoT, cloud, block chain and cyber security became some of the critical operations being handled from Indian delivery centres.

	1980-1990[1]	1990-2000[2]	2000-2010[3]	2010-2019[4]	2020 – 2021F
Revenues (US$ billion)	1	>8	78	177	Revenue: US$ 200-225 billion
Employees (million)	0.1	0.3	2.3	4.1	
GDP share	Approximately 1%	1.8%	6.1%	7.9%	Employees: 5 million
Export Share	<5%	10.5%	26%	>45%	
Global Sourcing Share	NA[5]	NA[5]	47%	55%	
Value Proposition	**Cost arbitrage** • Low end support and development	**Collaboration** • Standardization, productivity, improvement • Non critical functions • IT Support • Call Center, BPO testing	**Value addition** • End-to-end services *via* global delivery centers • Improving business efficiencies • Moving up the value chain	**Digital Business** • Industrialization of digital, intelligent products, personalized services • IoT, cognitive, blockchain, cloud, analytics	

(Source: NASSCOM, MOSPI, RBI)
(1) Data for FY 1990, (2) Data for FY 2000, (3) Data for FY 2010, (4) Data for FY 2019, (5) Data not available

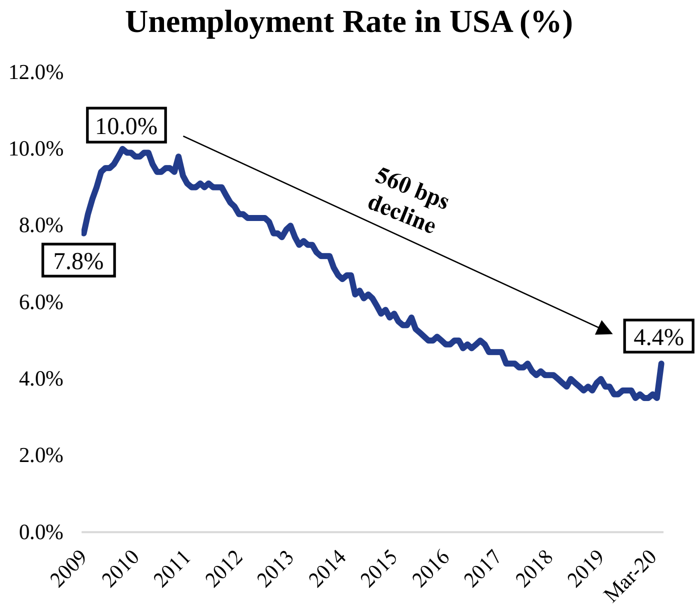
More than 900 MNCs have their engineering services and research and development ("**ER&D**") centres in India. India is the second largest sourcing destination for ER&D services and aims to be the third largest R&D spender globally after China and USA (*Source: NASSCOM, Strategic Review 2018*). The digital solution providers in India employ more than 880,000 digitally skilled employees that generate US$ 33 billion of revenue (*Source: NASSCOM, Techade Strategic Review 2020*). India continues to move up the global technology value chain with most of the firms using India for development and testing services. The following graph represents the expansion of the GCC's in India over the periods mentioned below:

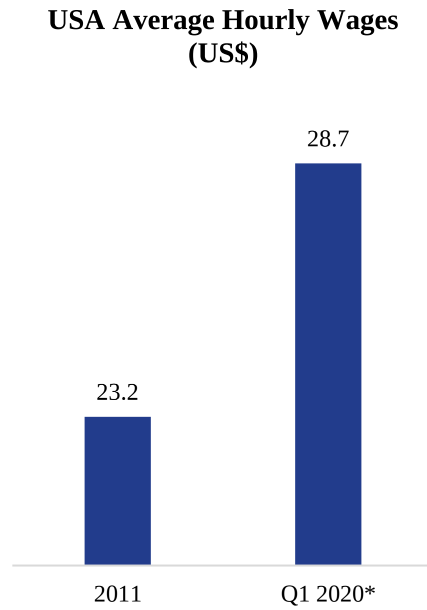


(Source: NASSCOM, GCC 3.0 Spotlight on Digital, Partnerships, New Delivery Models and Future Skills)

Additionally, proliferation of digital services and an evolving technology ecosystem are adding to the growth of GCCs in India. India now hosts approximately 1,250 GCCs, which employed more than 1 million people in FY 2019 (*Source: NASSCOM*). The GCC market size has also increased from US$ 19.4 billion in FY 2015 to US$ 28.3 billion in FY 2019 at a CAGR of 9.9% (*Source: NASSCOM*).

Low unemployment rate in USA and rising wage levels have further accelerated the growth of GCCs in India. The following graphs provide (i) historic representation of unemployment rates in the USA and (ii) the average hourly wages for the period indicated therein:





(*Source: Bureau of Labour Statistics*)
** Projected*
Note: The unemployment rate in USA in April 2020 was 14.7% due to the COVID-19 impact.

The growth of GCCs has resulted in an increase in demand for real estate. These companies generally have high stickiness and typically prefer office spaces, which offer large floor plates, amenities and proximity to the talent pool catchment areas. Some of the prominent companies, which have established their GCCs in India, include Barclays, All State, UBS, Deutsche Bank, Microsoft, Google, Amazon, Cisco and Ernst and Young.

Other Services Industries

Financial Services Industry. Financial services industry has been one of the emerging sectors in India, and includes banking, capital markets, insurance sector, pension funds and mutual funds.*)*. The financial services sector has been identified as one of the Champion Services Sectors by the Government to enable on-shoring of the India-related financial services provided by GCCs in India. *(Source: Economic Survey 2019-20).* The share of adults with a bank account has more than doubled since 2011 to 80% *(Source: World Bank – Global Findex Database 2017)*. The industry is expected to witness increased activity over the next decade led by the Government's push on digital financial services. The expected boost in the banking and insurance sectors is expected to drive the future demand for commercial office spaces.

Emergence of New Sectors. India is witnessing strong growth in some of the emerging sectors such as e-commerce, flexible workspaces and fintech.

- E-commerce – With availability of affordable internet, rising internet penetration and push from the Government towards digitisation, e-commerce sector is expected to grow from US$ 43 billion in 2019 to US$ 54 billion by 2020 (*Source: NASSCOM, Techade Strategic Review 2020)* and US$ 106 billion by 2022 (*Source: NASSCOM, Strategic Review 2019*).

- Fintech sector – Fintech sector in India has driven the growth of the payments and lending industry. The sector is expected to grow significantly and hence is expected to be a leading employment generator. The transaction value of the sector has grown at a CAGR of 22% from USD 33 billion in 2016 to USD 73 billion in 2020E (*Source: NASSCOM, Fintech Lending - August 2019)*

- Flexible workspace – Demand for flexibility, collaboration, and shared working environment has resulted in growing demand for flexible workspaces and corresponding demand for office space in India. Due to the COVID-19 pandemic, there has been an enhanced focus on safety and hygiene. This, along with the business disruptions faced by start-ups and freelancers, has resulted in a push for work from home. Hence, co-working players in small and mid-segment are most affected. The trend could shift towards cubicle, private office formats catering to enterprise demand. However, focus on de-densification and multiple office location portfolio may help the flexible workspace operators.

Overview of India Office Market

India's office real estate landscape has changed significantly from standalone buildings with no amenities to large corporate parks with focused amenities. Developers' focus on Grade-A commercial developments, backed by institutional investors and increasing demand from MNCs led to the onset of campus developments. Due to better amenities for occupiers and scalability options, the larger campuses tend to command a premium over standalone buildings, enjoy a higher and more stable occupancy, attract superior tenants and are also preferred by the Millennials. Cumulative private equity investment in the real estate sector has been US$ 33.6 billion from 2013 to Q1 2020.

The commercial real estate business in India is driven by access to cost-effective, English-speaking and skilled labour, and is not materially impacted by short-term fluctuations in GDP growth projections and the short-term outlook of the domestic banking sector.

Evolution of Indian Office Market

Period	Pre-2000	2000-2007	2008 onwards
			
Key tenants	• Industrial Houses • Banks • Government Bodies • Corporate headquarters	• Financial services • Technology companies	• GCCs • High end technology service provider
Building type	• Small standalone buildings • Small floor plates • Limited scalability options • Largely occupier owned	• Campus led developments • Emergence of leasing as a favourable option by occupiers • Demand for scalability options	• Developments with superior amenities • Large floor plates • Green sustainable building

Impact of COVID-19 on India Office Market

In the first half of 2020, the infection traced to a novel strain of coronavirus (known as COVID-19) spread to a majority of countries across the world. On March 11, 2020, the World Health Organization declared COVID-19 a 'global pandemic'. The COVID-19 pandemic and preventative or protective actions that governmental authorities around the world have taken to counter the effects of COVID-19, including social distancing, office closures, travel restrictions and the imposition of quarantines, have resulted in a period of economic downturn and business disruption, including restrictions on business activities and the movement of people comprising a significant portion of the world's population, including India.

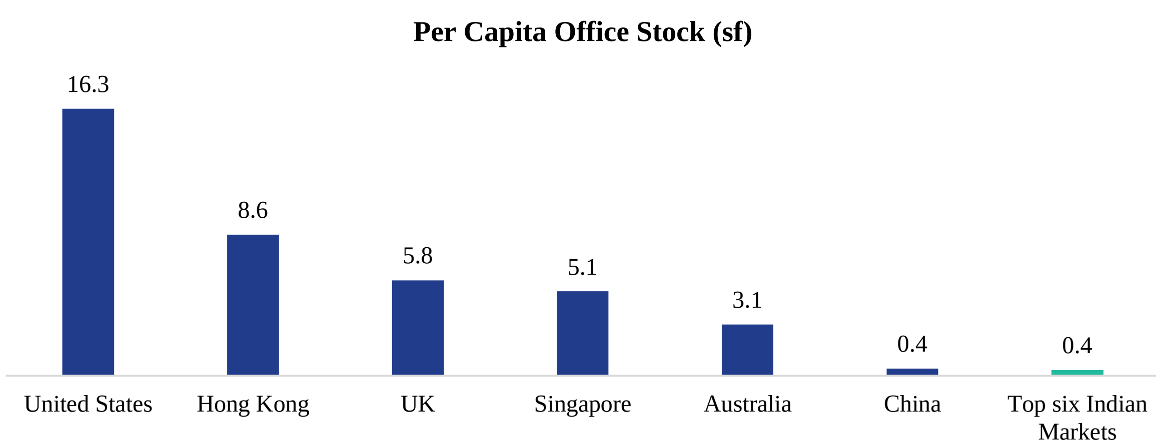
On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown from March 25, 2020 onwards. The real estate sector has faced certain challenges and has been impacted by this pandemic. With temporary suspension of construction activities and the limited availability of construction works and raw materials, among other things, C&W expects that there would be a delay in the delivery timeline of the planned future supply. However, as per C&W, office real estate has exhibited resilience to such disruptions due to long-term contracts and quality tenant base such as large MNCs and Fortune 500 Companies. In addition, with mandatory office closures in the month of April and May 2020 and the corporations testing the remote working landscape, C&W expects that post-lockdown the focus will be towards making workspace new normal-ready. It is expected that while there will be re-assessment of portfolios to de-densify the workspace to focus on hygiene and safety norms, there will be a delay in decision-making for expansion. The consolidation strategies may also be put on hold to revaluate the recent landscape and renewals are expected to continue as capital expenditure decisions are put on hold. However, relocation decisions may be reviewed in the context of cost control driving demand to peripheral office locations.

While COVID-19 has affected the real estate sector, including commercial real estate, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, which makes it difficult to predict with certainty the impact that COVID-19 will have on commercial real estate, at this time. C&W anticipates that the delay in decision making for expansion along with delay in construction activities would have a short-term impact on the demand, delay in supply and the consequent impact on the rental growth rate in the Indian office markets. As per C&W, many industries have been impacted by the pandemic, however, some of the industries such as aviation, education, entertainment and events, food and beverage, co-working and hospitality are amongst the ones which would be severely impacted. The stimulus packages by the Government of India and gradual reopening of offices and manufacturing plants are likely to support economic activity.

Short Term Disruption	Long Term to Medium Term Recovery
- Large consolidations will get deferred due to restricted capex allocation - Uncertainty of demand for larger space to continue for upcoming three to six quarters - Higher focus on health and safety measures - Construction delays to affect future market supply; Limited access to capital to moderate speculative supply - Possible rent correction in rentals at assets quoting at a premium to market	- Preference to operate from secured office environments because of concerns of data security in work from home - India could be a beneficiary of some of the global business relocation due to cost advantages – Low rentals and availability of large talent pool; this shall attract GCCs - Densification of occupancy to reduce due to safe distancing norms may lead to incremental demand in medium term - Shift to Grade-A assets with campus styled development high on COVID-19 and other health and safety protocols

India Office Market – Key Statistics

Grade-A office stock in Chennai, Mumbai Region, Pune, Hyderabad, Bengaluru and the National Capital Region ("**NCR**") ("**Top Six Indian Markets**"), as of March 31, 2020, was approximately 477.5 msf. Comparison of India's per capita office stock in the Top Six Indian Markets with other countries is as follows:

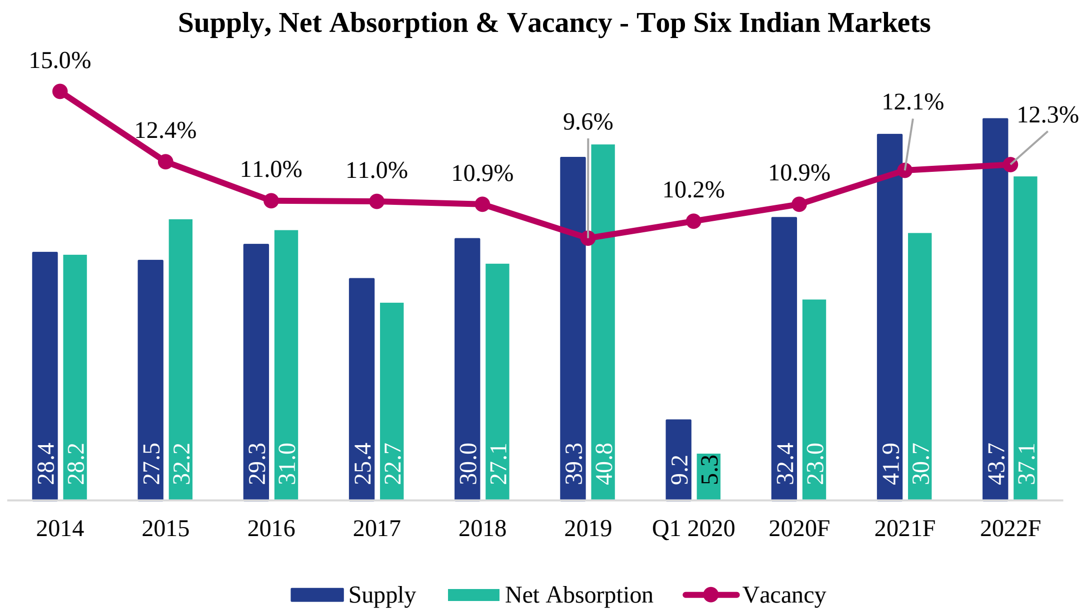


(Source: C&W Report)

Note: The population considered to calculate per capita office stock is for 2019 except for UK and the Top Six Indian Markets, for which 2018 population data has been considered.
Supply, Net Absorption and Vacancy

Difficulty in obtaining funding for land acquisitions coupled with scarcity of aggregated land in established markets is expected to constrain the supply of large-scale integrated parks in the future. Increasing demand and stable supply have resulted in lower vacancy levels of 10.2% in Q1 2020 as compared to 15.0% in 2014 for the Top Six Indian Markets. Due to COVID-19 and the challenges faced by the commercial real estate sector, C&W expects the vacancy to remain 10.9% in 2020F. Further, delay in delivery of under-construction buildings due to COVID-19 has resulted in an increased supply in 2021F and 2022F. However, with increasing demand from occupiers and high supply in long term, the vacancy levels are expected to be at 12.3% in 2022F.

The following graph sets forth the supply, net absorption and vacancy trends for the Top Six Indian Markets (2014 to 2022F):



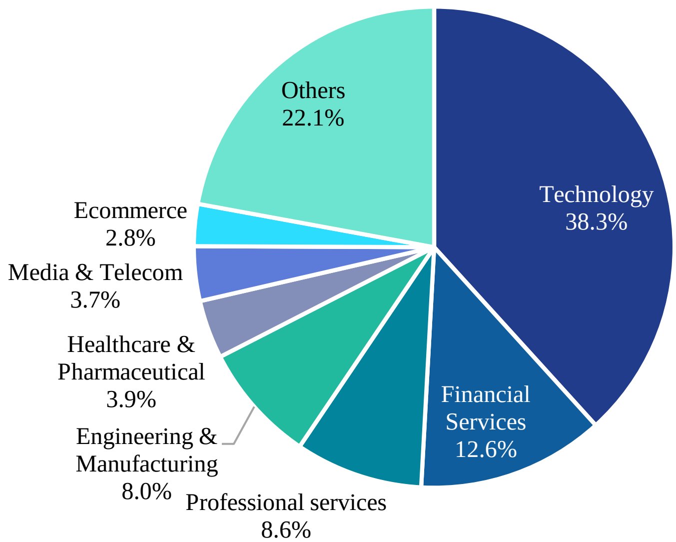
(Source: C&W Report)
Note:

1. *For office stock in India, Cushman & Wakefield defines "Grade A" as a development type whose tenant profile primarily includes multinational corporations. The development should also include adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems and certain additional criteria.*
2. *With respect to the NCR, Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.*
3. Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

Sectoral Demand

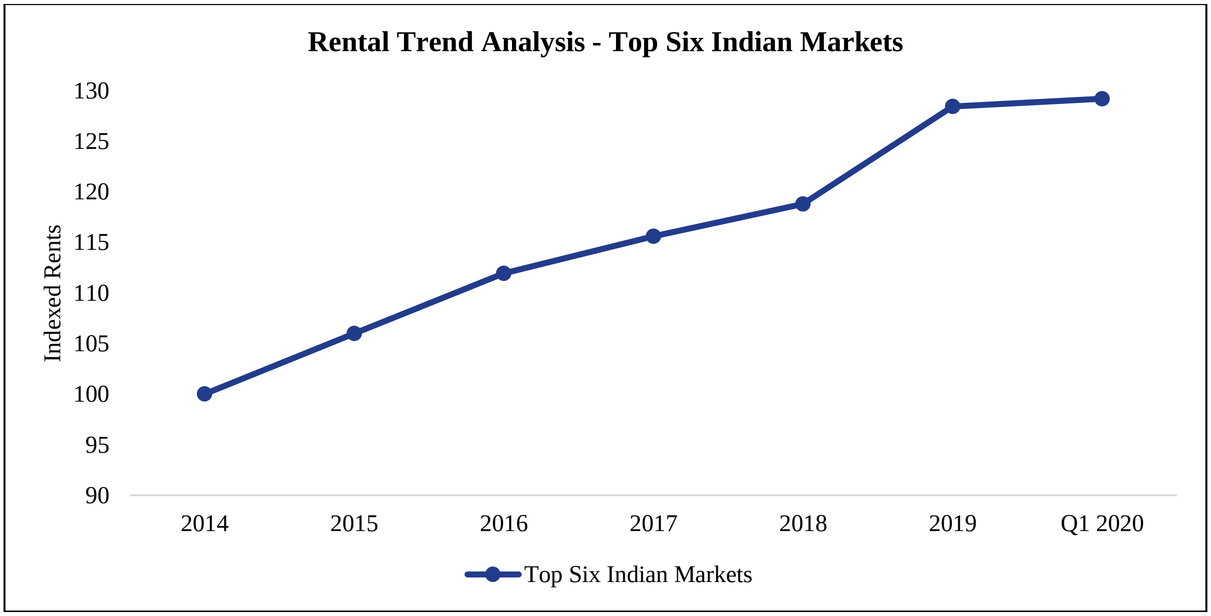
Technology sector comprises the largest share at Grade-A office absorption in the Top Six Indian Markets. The following chart sets forth sectoral absorption analysis for the Top Six Indian Markets (2014 to Q1 2020):

2014 - Q1 2020 Sectoral Absorption Analysis - Top Six Indian Markets



(Source: C&W Report)
Note: Others include automobile, education, flexible workspaces, hospitality, logistics, shipping, oil and gas, research and analysis, food and beverage, real estate and related services.
Rental Trends

Rentals in the Top Six Indian Markets have grown at a CAGR of 5.0% between 2014 and Q1 2020. Due to the COVID-19 pandemic, C&W expects the rentals to remain stable in the near term. The following chart sets forth rental trend analysis for the Top Six Indian Markets (2014 to Q1 2020):



(Source: C&W Report)

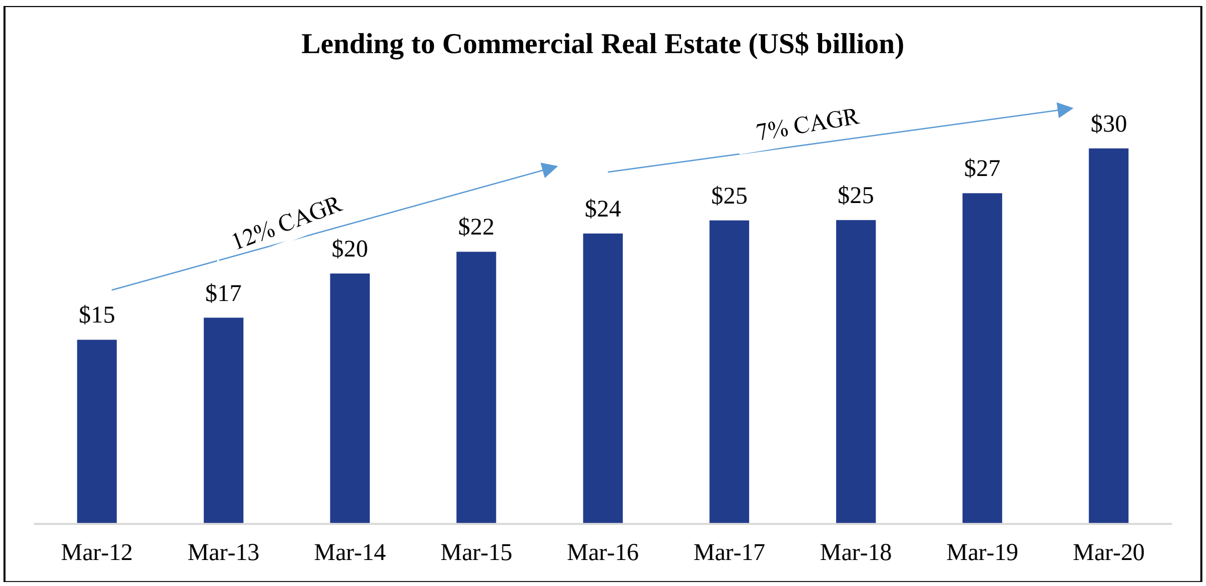
Prominent Trends in India Office Market

Changing profile of tenants - Indian technology sector has consistently moved up the value chain from back end support services such as call centres to value added services such as analytics and artificial intelligence. These tenants tend to focus on quality of office space, amenities and facility management and are relatively less sensitive to costs.

Increasing demand for quality office space - Youth driven businesses, changing lifestyles and the need for flexible workday drives the tenants to look for superior quality Grade-A office spaces. Tenants have increasingly preferred integrated parks over standalone buildings due to options for future expansion and superior ecosystem offering amenities such as retail facilities, crèches, food and beverage facilities. Additionally, large-scale infrastructure is expected to be the key differentiator when leading tenants select markets going forward.

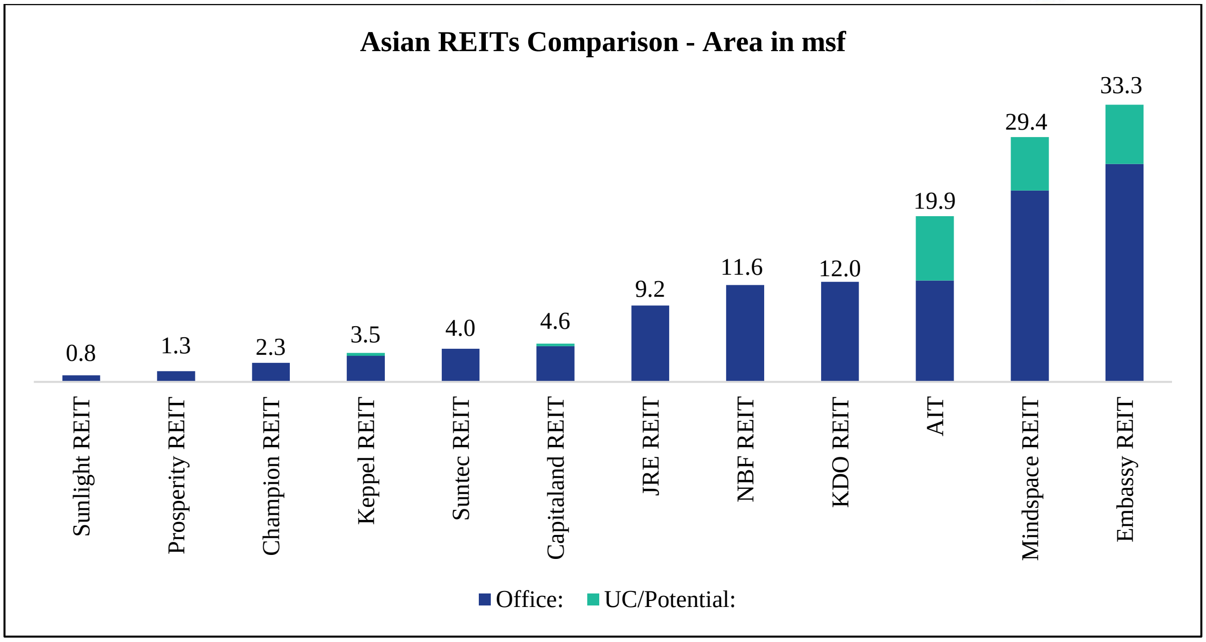
Consolidation and expansion strategies - Companies in India, especially GCCs, have started consolidating and concentrating their offices into lesser number of locations for improving operational efficiency and lowering costs through economies of scale. These tenants also prefer consolidation in parks, which are established by organized developers due to the large scale of assets and future development potential in the existing park.

Organized office developers - Demand for quality offices and corresponding increase in capital requirement favor large organized office players with well-funded balance sheet. Further, a more cautious approach taken by banks recently (as illustrated below) for lending to companies engaged in real estate activities has restricted the ability of unorganized players to access financing.



(Source: RBI)
Note: As per RBI, exchange rate as of March 31, 2020 has been taken as Rupees 75.3859 per USD.

With the changing landscape of the commercial real estate, the sector has witnessed emergence of large organized office developers. The graph below sets forth a snapshot of select Asian office REITs (in msf):



(Source: C&W Report)

(1) UC/Potential includes Under Construction Area and Future Development Area.

(2) Area numbers given for aggregate for the REIT. Data is based on information available in the public domain.

(3) KDO REIT represents Kenedix Office Investment Corporation REIT, JRE REIT represents Japan Real Estate Investment Corporation REIT, NBF REIT represents Nippon Building Fund Management REIT and AIT represents Ascendas India Trust.

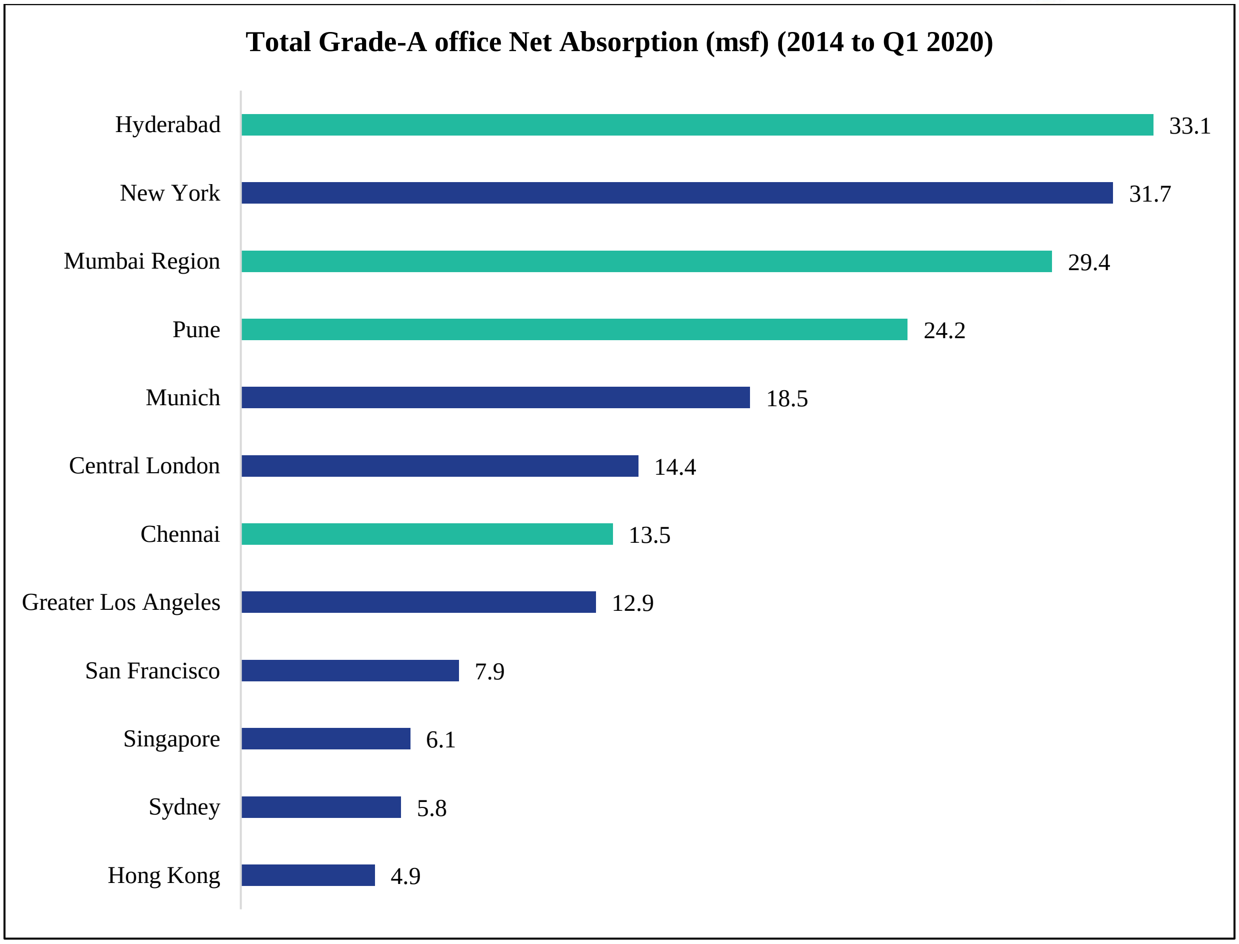
Tenant relationship strategies - Tenant relationships in India have improved as organized real estate developers offer integrated quality parks/campuses with developed ecosystem offering amenities such as retail facilities, crèches and food and beverage facilities including food courts, which are in line with the current and potential demand of these tenants

The need for tenant incentives (such as fully fitted out space and improvements) is typically not seen in India as generally it is the tenants who incur approximately INR 2,000 to INR 6,000 psf for fitting out the premises according to the nature of business activity and office location unlike other developed markets where landlords spend a significant amount of tenant improvement capex. Indian real estate landlords incur 75% – 90% lower Tenant Improvement capex as a % of rental revenues (2%-5%) as compared to US real estate landlords (10%-20%). Considering the high capex being incurred by the tenants, the duration of occupancy is typically beyond the initial lock-in period of 3 to 5 years. Minimal rent-free periods (one-time, ranging from 45 days to 90 days upfront), lower free parking (one car park for 1,000 sf to 1,500 sf) and higher security deposits (6 to 12 months) further limits initial capex by property owners.

Comparison between Key Indian and Select Global Cities

Grade-A Office Net Absorption (2014 – Q1 2020)

Growth of services sector in India along with increasing traction from MNC tenants has led to a higher net absorption in major Indian cities. The following graph sets forth total Grade-A office net absorption (in msf) in the Portfolio Markets compared to major global cities (2014 to Q1 2020):



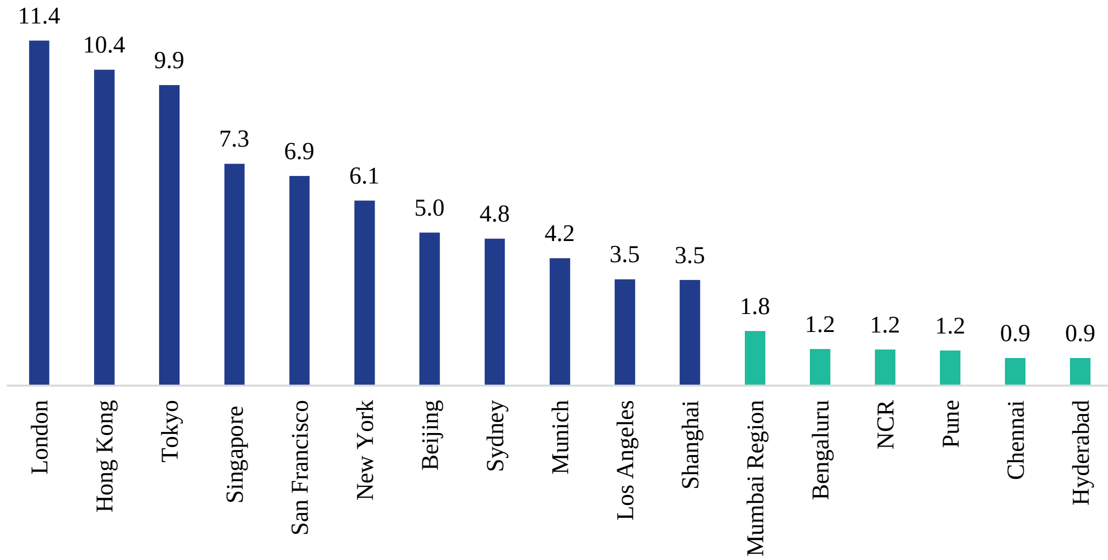
(Source: C&W Report)

Note: For office stock in India, Cushman & Wakefield defines "Grade A" as a development type whose tenant profile primarily includes multinational corporations. The development should also include adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems and certain additional criteria.

Rentals across Global Locations (Q1 2020)

The Top Six Indian Markets offer affordable commercial office spaces at 50% to 90% lower rents in comparison to the global cities, thereby gaining more traction not only from domestic companies but international as well. The following graph sets out rental comparison for major global cities and the Top Six Indian Markets (March 2020):

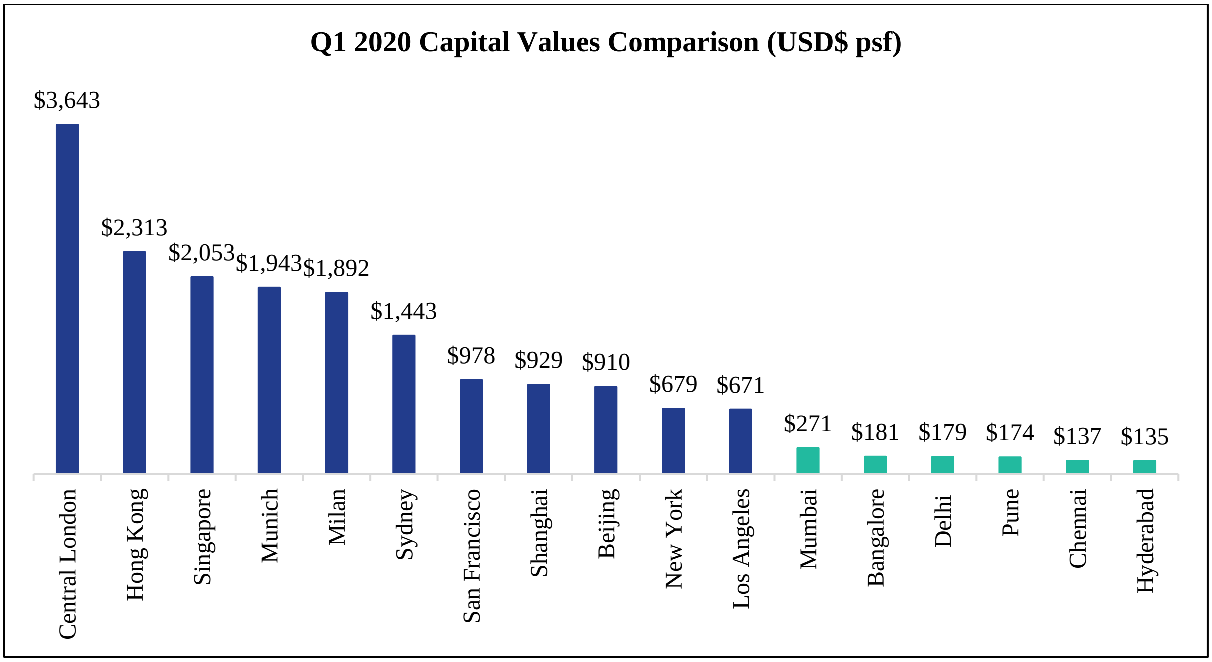
Major Global cities Rental Comparison - Q1 2020 (US$ psf / month)



(Source: C&W Report)

Capital Value Comparison

Capital values in the Top Six Indian Markets are significantly below other global peers. The average capital values of commercial assets in the Top Six Indian Markets are 74% to 92% lower than in New York, Singapore and Hong Kong. The following graph sets out the capital values for Q1 2020:

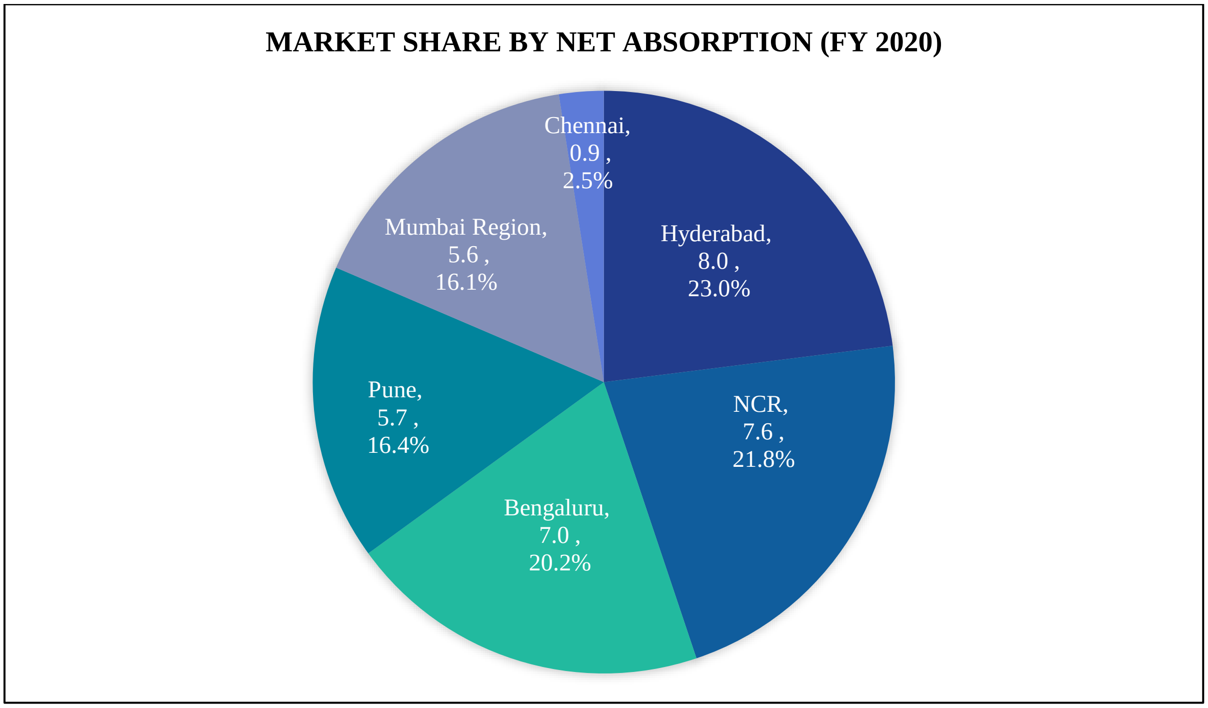


(Source: C&W Report)

Portfolio Markets

Overview of the Portfolio Markets

Mindspace REIT has one of the largest portfolios of Grade-A commercial assets in India, which are located in its Portfolio Markets, which are also among the key office markets of India, namely, Mumbai Region, Hyderabad, Pune and Chennai. Portfolio Markets represent approximately 58.0% of total Grade-A net absorption in the Top Six Indian Markets in FY 2020. Some of Mindspace REIT Assets have prominent share in the office stock in the respective micro-markets. The following chart sets out the market share of the Top Six Indian Markets, in terms of net absorption (FY 2020):

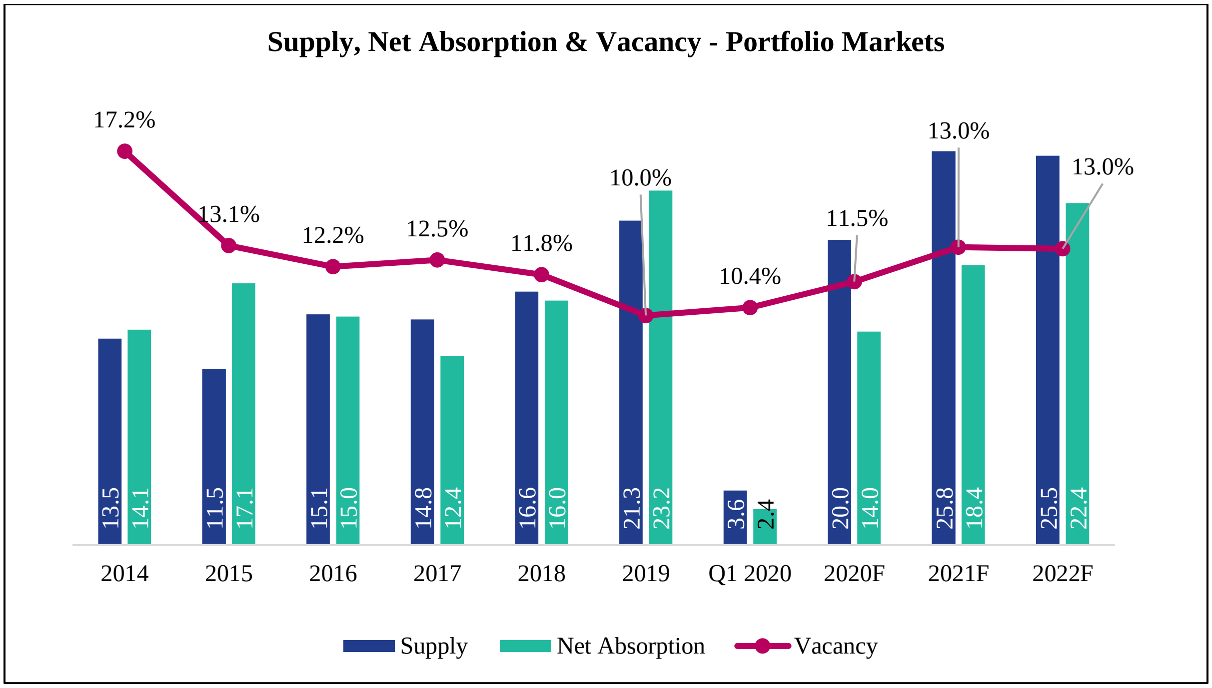


(Source: C&W Report)

Supply, Net Absorption, Vacancy Trends in the Portfolio Markets

Portfolio Markets showed long term favorable demand supply dynamics between 2014 and Q1 2020 with net absorption (100.3 msf) exceeding supply (96.4 msf) and overall Grade-A office stock growing 1.5 times. Pre-leased area has increased by 50.1% between 2014 and Q1 2020. Vacancy levels declined steadily from 17.2% in 2014 to 10.4% in Q1 2020 (683 bps lower). Supply and Absorption in the portfolio REIT markets have been the highest in a decade in 2019.

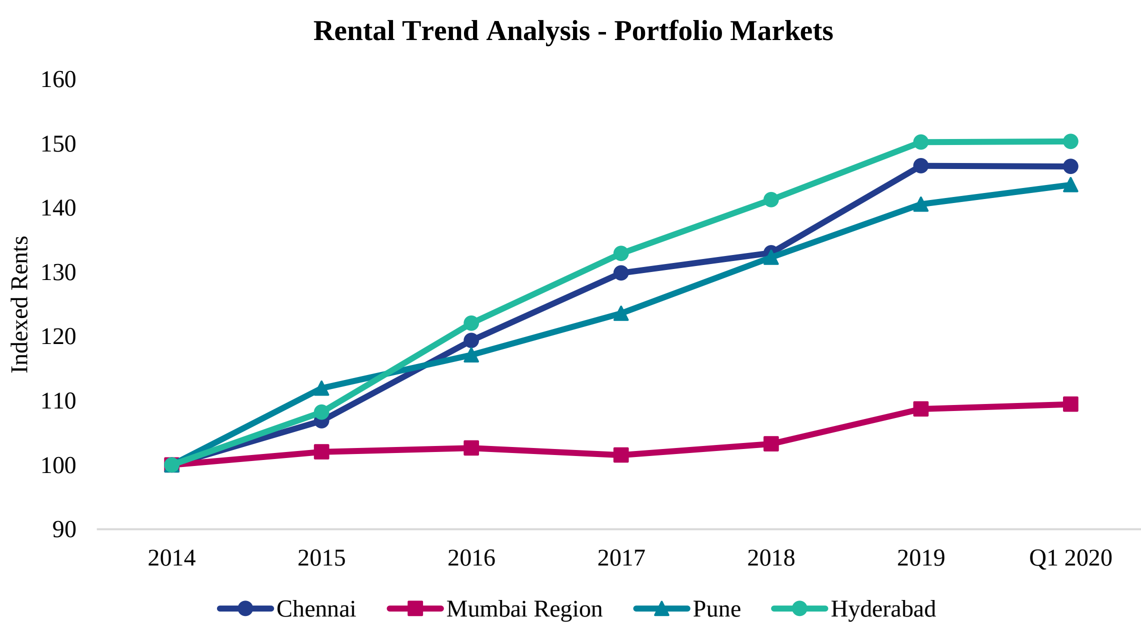
Further, due to COVID-19, C&W expects the commercial real estate sector to face some challenges in the near term. With constrained absorption in near term, the vacancy level is expected to increase to 11.5% in 2020F as the contraction in supply may partially offset any significant impact on the demand. In the long term, the vacancy levels are expected to be 13.0% in 2021F and 2022F. The following table sets out supply, net absorption and vacancy trends in the Portfolio Markets (2014 to 2022F):



(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

Rental Trends in the Portfolio Markets

The rentals in the Portfolio Markets have grown at a CAGR of 8.1% in Hyderabad, 7.5% in Chennai, 7.1% in Pune and 1.7% in the Mumbai Region between 2014 and Q1 2020. During the same period, the combined rentals in the Portfolio Markets have grown from INR 79.3 psf per month to INR 96.8 psf per month. However, due to the current COVID-19 pandemic, C&W expects the rentals to remain stable in the near term. The following chart sets rental trends in the Portfolio Markets (2014 to Q1 2020):



(Source: C&W Report)

Mindspace REIT's Micro-markets

Mindspace REIT assets are present in seven micro-markets across four markets in India. The table below highlights the key statistics of Grade-A offices for these seven micro-markets:

Particulars	Details
Stock (Q1 2020)	Approximately 121.3 msf
Current occupied stock (Q1 2020)	Approximately 113.0 msf
Current vacancy (Q1 2020)	6.8%
Average annual absorption (2014 – Q1 2020)	Approximately 8.3 msf
Market rent (INR psf / month) (Q1 2020)	98.2

(Source: C&W Report)

Hyderabad

Overview

Hyderabad is the capital city of Telangana and the fourth most populous city in India. Affordable cost of living, rapid infrastructure development and a proactive government have driven the corporate activity and investments in the city. The city has emerged as the second largest IT exporter in India (*Source: Telangana Socio Economic Outlook, 2020*). It is home to the GCCs of global technology companies (such as Apple, Microsoft, Uber, Google, Facebook and Cognizant), institutions (such as Centre for Cellular and Molecular Biology, Centre for Good Governance, Insurance and Regulatory Development Authority) as well as prominent educational institutions (such as Indian School of Business, Indian Institute of Technology, NALSAR University of Law and Agha Khan Academy). The physical infrastructure of the city is well-developed with road, rail and air transport network.

The key drivers of demand for office space in Hyderabad are as follows:

- *Technology sector*: Technology sector is the primary driver for the demand of office space in Hyderabad. The city houses approximately 1,500 technology companies and provides direct employment to approximately 540,000 people (*Source: Telangana Socio Economic Outlook, 2020*). In addition to the tenanted commercial office spaces, Hyderabad also houses several large size campuses of companies including Infosys, Wipro, Amazon, Cognizant, Cyient, Capgemini, Virtusa and Hitachi Consulting.

- *Financial and professional services*: Hyderabad has major financial/banking support services companies in Hyderabad including JP Morgan, Wells Fargo, Bank of America, DBS, HSBC, Synchrony and others. The city also has major professional services companies/knowledge centers including Deloitte, Invesco, Ernst and Young, KPMG and OMICS.

- *Social infrastructure:* Hyderabad has multiple established educational institutions and colleges (International Institute of Information Technology, Indian School of Business and Tata Institute of Social Sciences), shopping malls (Inorbit, Forum, GVK One, City Capital and Central), hospitals (Apollo, Sunshine and Care), hotels (ITC, Westin, Park Hyatt, Novotel and Taj Krishna) and MICE centres (HITEX Exhibition Centre and HICC Convention Centre).

- *Physical infrastructure:* Hyderabad is well connected to the rest of the country by National Highways and railways (Secunderabad, Nampally and Kachiguda are the major railway stations). The city has India's sixth busiest airport, which connects Hyderabad to major international hubs and is currently being expanded to handle 34 million passengers. The city also has a robust network combination of light rail transportation system and metro rail (three corridors covering approximately 72 kms) (*Source: Telangana Socio Economic Outlook, 2020*).

- *Ongoing/planned infrastructure projects:* Key initiatives include metro rail, multiple flyovers, underpasses and road projects (Regional Ring Road is expected to provide faster connectivity between suburban towns and core area of Hyderabad). Phase-1 of the Hyderabad metro rail is operational and Phase-2 (planned) is expected to further improve connectivity to the airport.

Hyderabad Office Market

The State of Andhra Pradesh was split in two, leading to the formation of Telangana state in 2014. Post the split, Hyderabad has experienced enhanced growth in commercial office space and residential segments. Several major tenants such as JP Morgan, Accenture, IBM, Amazon and Capgemini who had a footprint in the city prior to 2014, have expanded in the last five years. Several new tenants such as Apple, Uber, DBS, Pepsico, ZF and Legato have entered Hyderabad post 2014 as well. The overall office space vacancy was approximately 15.3% in 2014, which has decreased to 5.9% in Q1 2020.

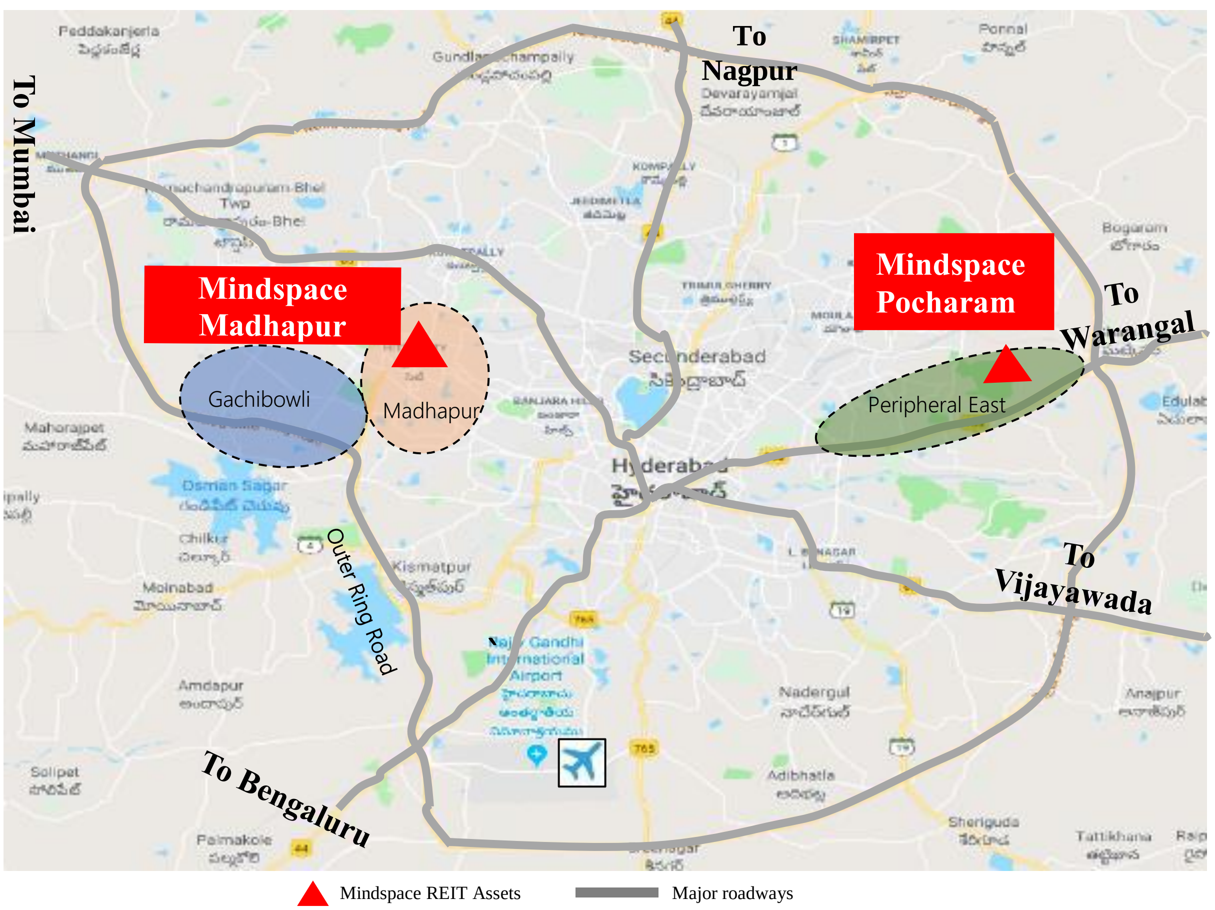
The table below highlights the key statistics of Hyderabad's Grade-A office market:

Particulars	Details
Stock (Q1 2020)	Approximately 58.8 msf
Current occupied stock (Q1 2020)	Approximately 55.3 msf
Current vacancy (Q1 2020)	Approximately 5.9%
Average annual absorption (2014 – Q1 2020)	Approximately 5.3 msf per annum
Future supply (Q2 2020 – 2022)	Q2 to Q4 2020: Approximately 7.0 msf (60.0% of the supply is pre-leased) 2021: Approximately 8.9 msf (34.7% of the supply is pre-leased) 2022: Approximately 12.9 msf (19.7% of the supply is pre-leased)

(Source: C&W Report;
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

Hyderabad*: *Key Office Micro-Markets

The Hyderabad office market consists of three micro-markets: Madhapur, Gachibowli and Peripheral East. The map below shows the office hubs of Hyderabad:



(Source: C&W Report)

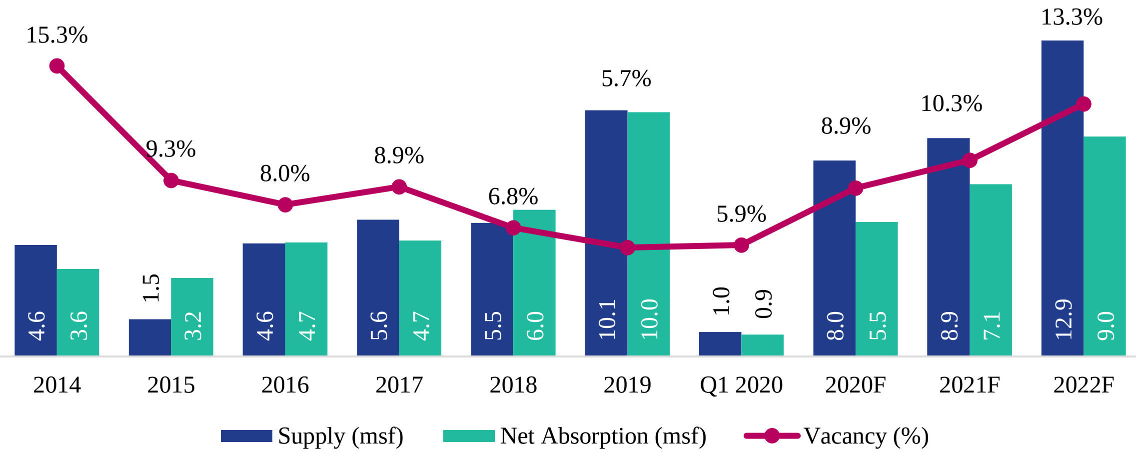
Particulars	Hyderabad[1]	Madhapur[2]	Gachibowli	Peripheral East[2]
Stock Q1 2020 (msf)	58.8	41.1	14.0	2.1
Current occupied stock Q1 2020 (msf)	55.3	40.3	12.4	1.4
Current vacancy Q1 2020	5.9%	1.8%	11.3%	32.7%
Average annual absorption: 2014 – Q1 2020 (msf)	5.3	3.8	1.3	0.1
Future supply: Q2 2020 – 2022 (msf)	28.9	14.8	13.5	0
Market rent: Q1 2020 (INR psf / month)	68.1	71.2	64.7	40.6

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)
(1) Approximately 2.1 msf of stock is not captured in the three major micro-markets of the city.
(2) Mindspace REIT's micro-markets.

Hyderabad: Supply, Net Absorption and Vacancy

Strong demand and limited supply have led to a reduction in vacancy from 15.3% in 2014 to 5.9% in Q1 2020. Pre-commitment levels continue to be strong with 34.1% of future supply pre-committed. Due to COVID-19 and the challenges faced by the commercial real estate sector, C&W expects delay in completion of the under-construction projects and suppression of demand for the next 6 to 12 months. With relatively lower demand as compared to the upcoming supply, C&W expects an increase in vacancy to 8.9% in 2020 and 13.3% in 2022. The following graph represents historical supply, net absorption and vacancy trends across Hyderabad (2014 to 2022F):

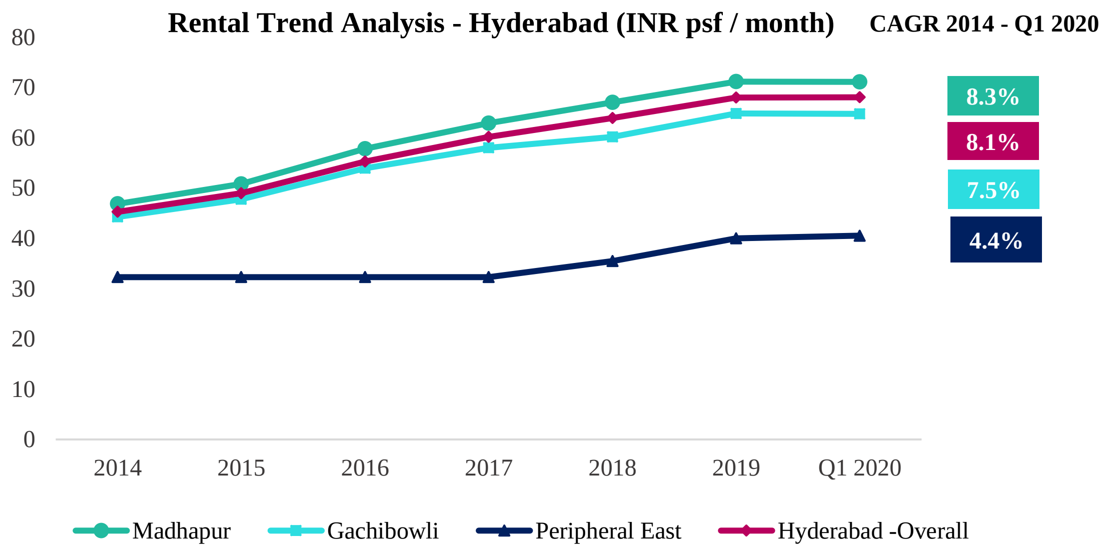
Supply, Net Absorption & Vacancy Trend Analysis - Hyderabad



(Source: C&W Report)
Note:
1) *Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.*
2) *The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.*
3) *Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders*

Hyderabad: Rental Trend

With strong absorption due to the expansion of existing tenants and entry of new tenants, Hyderabad rentals have grown at a CAGR of 8.1% since 2014. Due to robust fundamentals, Madhapur rentals have outperformed the other micro-markets and grown at an 8.3% CAGR between 2014 to Q1 2020. With the suppression of demand due to Covid-19 we expect pressures on the rentals and expect the rentals to remain stable for next 12 months. The following graph depicts the rental trend analysis of Hyderabad (2014 to Q1 2020):

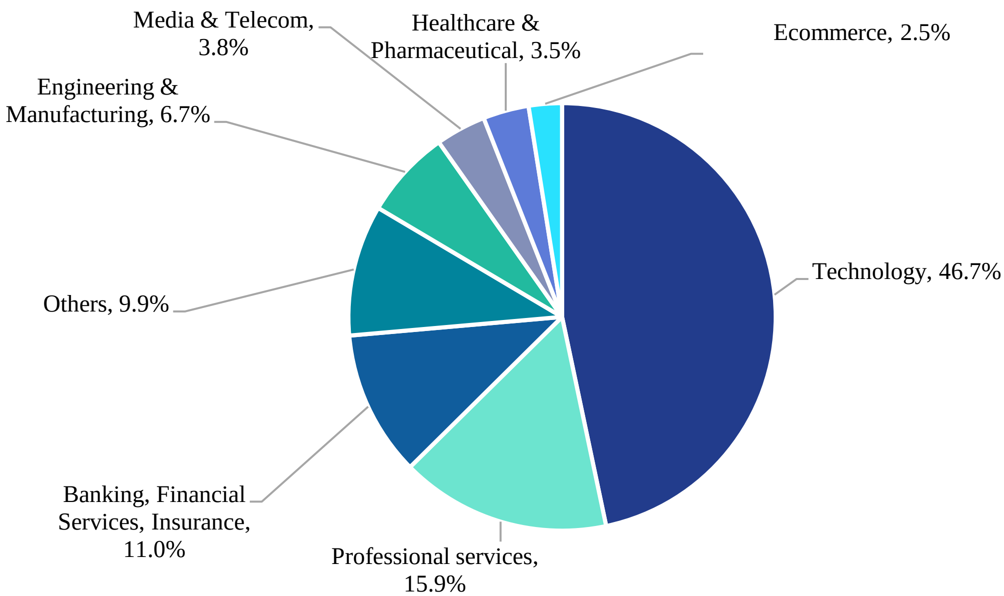


(Source: C&W Report)
Note: The rentals are basis the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Hyderabad: Sectoral Demand

Technology is the dominant demand driver for the Hyderabad office market and accounts for approximately 46.7% of the net absorption since 2014. Further, approximately 33.6% of the total net absorption was generated from GCCs in Hyderabad in the last five years. The following chart depicts sectoral absorption analysis of Hyderabad (2014 to Q1 2020):

2014 - Q1 2020 Sectoral Absorption



(Source: C&W Report)
Note: Others include automobile, education, flexible workspaces, hospitality, logistics and shipping, oil and gas, research and analysis, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the city i.e. including any relocations, consolidations etc.

Mindspace REIT's Micro-Markets in Hyderabad

Mindspace REIT Asset, Mindspace Madhapur (which is situated on approximately 97.2 acres of land and comprises of 21 operational buildings and one under construction hotel building and one proposed building is located in Hyderabad's largest office micro-market, Madhapur. Mindspace Madhapur is Hyderabad's largest office park and has one operational hotel (The Westin, Hyderabad) located within the park.

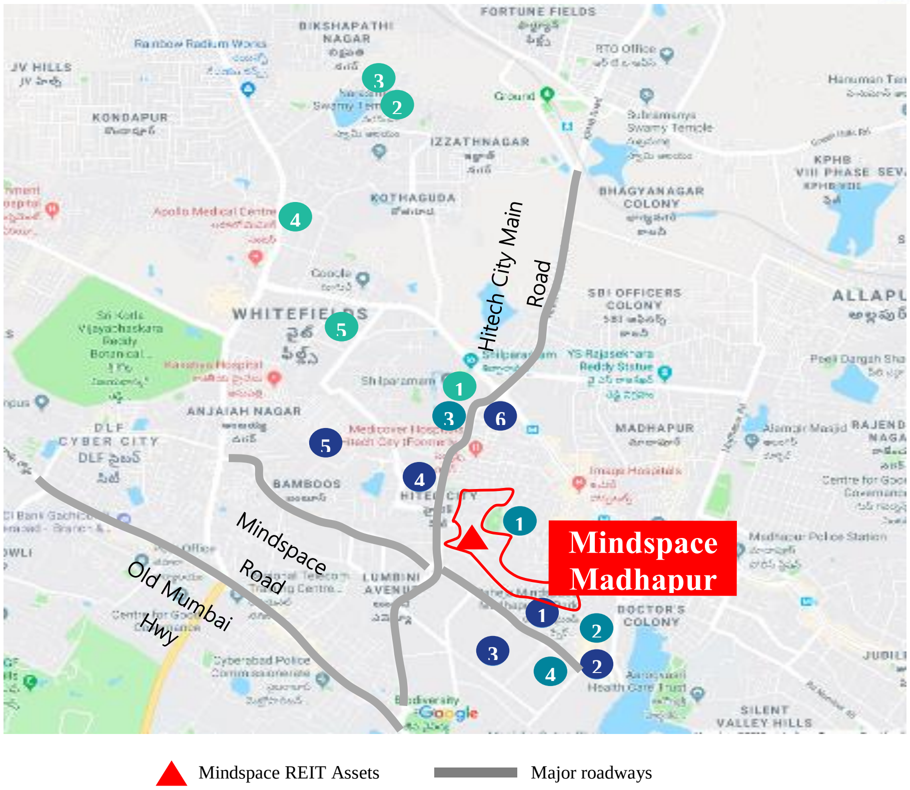
Mindspace Pocharam, a Mindspace REIT Asset with 1.0 msf of Total Leasable Area, is located in the Peripheral East micro-market. The micro-market is well connected to other parts of the city through the Outer Ring Road and Warangal Highway and has several residential developments.

Madhapur

Overview

Madhapur is an established office micro-market in Hyderabad and is home to large-scale commercial developments. Madhapur has excellent physical infrastructure with direct connectivity to the airport and with other parts of the city via the metro rail, MMTS rail network and road network. Ongoing infrastructure projects in Madhapur include cable stayed bridge near Inorbit Mall, flyover at Kondapur and flyover (Phase II) at Old Mumbai Highway.

These developments are expected to be completed over the next three to twelve months and will further improve the attractiveness of the micro-market. Madhapur is the most preferred office space micro-market in Hyderabad due to the presence of existing office ecosystem and superior physical and social infrastructure (Mindspace Madhapur is located in proximity of the Raidurg Metro Station on Phase-1 of metro rail). In the last decade, Madhapur dominated other office micro-markets in Hyderabad and represents 71.2% of total office absorption in Hyderabad since 2014. The vacancy has been below 5.0% while the rents grew at 8.3% CAGR since 2014.



(Source: C&W Report)

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure
1. The V IT Park	1. Shilparamam	1. Westin Hotel (located in Mindspace Madhapur)
2. I-Labs	2. Hitex Exhibition Centre	2. Inorbit Mall
3. Salarpuria Sattva Knowledge City	3. HICC Convention Centre	3. Trident Hotel
4. Cyber Pearl	4. KIMS Hospital	4. ITC Kohenur Hotel
5. Cyber Tower	5. Rainbow Hospital	
6. Avance Business Hub		

(Source: C&W Report)

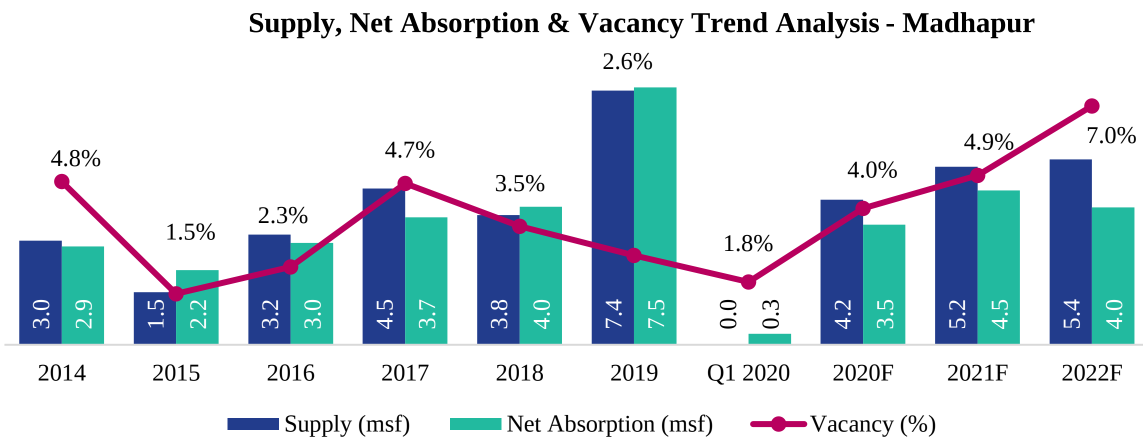
Madhapur: Supply/Demand Dynamics

Particulars	Details
Stock (Q1 2020)	Approximately 41.1 msf
Current occupied stock (Q1 2020)	Approximately 40.3 msf
Current vacancy (Q1 2020)	Approximately 1.8%
Average annual absorption (2014 – Q1 2020)	Approximately 3.8 msf per annum
Future supply (Q2 2020 - 2022)	Q2 to Q4 2020: Approximately 4.2 msf (75.7% of the supply is pre-leased) 2021: Approximately 5.2 msf (27.0% of the supply is pre-leased) 2022: Approximately 5.4 msf

(Source: C&W Report)

Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

In the last five years, strong office space demand has led to consistently low vacancy levels (1.8% in Q1 2020). Pre-commitment levels continue to be strong with 31.1% of future supply already committed. Due to COVID-19 and the challenges faced by the commercial real estate sector, C&W expects delay in completion of the under-construction projects and suppression of demand for the next 6 to 12 months. However, with strong pre-commitments, C&W expects the net absorption for 2020, 2021 and 2022 to be 3.5 msf, 4.5 msf and 4.0 msf respectively. Relatively higher supply as compared to demand is expected to result in increase in vacancy to 7.0% in 2022 from 1.8% in Q1 2020. The following graph represents historical supply, net absorption and vacancy trends in Madhapur micro-market (2014 – 2022F):

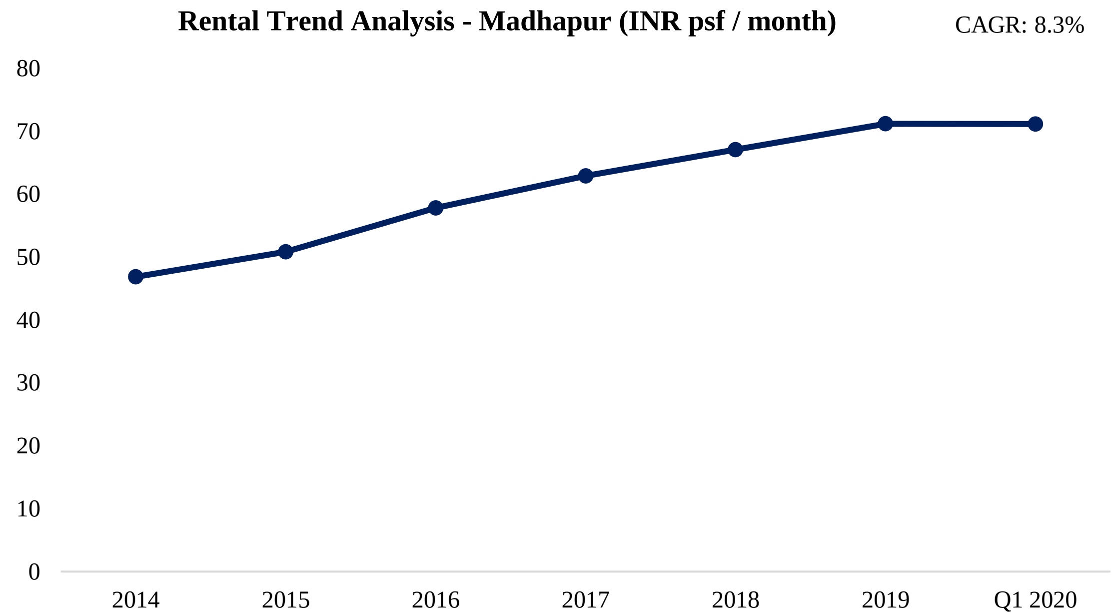


(Source: C&W Report)
Note:

1) *Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.*
2) *The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.*
3) *Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders*

Madhapur: Rental Trend

With positive commercial outlook and limited supply, there has been a continued growth in the rentals in Madhapur in the last five years. The following graph depicts the rental trend in Madhapur micro-market (2014 to Q1 2020):



(Source: C&W Report)
Note: The rentals are basis the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Mumbai Region

Overview

Mumbai is the most populous city in India and has a higher literacy rate (90.3%) than the national average (74.0%) (*Source: Census of India, 2011*). The city contributed approximately 3.6% of the total GVA (current prices) in India in FY 2019 (*Source: Economic Survey of Maharashtra*). It is also home to Indian television and film industry – commonly known as 'Bollywood'. The city is part of the Mumbai Region that includes the broader area around the city and has a population of 18.4 million (*Source: Census of India, 2011*). Given its demographic and industrial profile, the region offers large availability of skilled work force and has strong demand for office space.

The key drivers of demand for office space in the Mumbai Region are as follows:

- *Financial capital and services hub*: Mumbai is India's financial capital and houses headquarters and corporate offices of major financial institutions, banks and private equity funds (such as HDFC Bank, Warburg Pincus and BNP Paribas), India's largest stock and commodity exchanges (such as National Stock Exchange, Bombay Stock Exchange and Multi Commodity Exchange) as well as various financial regulators (such as RBI and SEBI). It is also a hub for major global consultancy firms (such as McKinsey and Company and BCG), legal and professional services (such as EY), media houses, accounting professionals and major corporates (such as Johnson and Johnson, Hindustan Unilever, Nestle and Procter and Gamble).

- *Social infrastructure*: Mumbai has established educational institutions and colleges (including IIT-Bombay, NMIMS University, SP Jain Institute of Management and National Institute of Fashion and Technology), malls (Phoenix Market City, High Street Phoenix and Inorbit Mall), hospitals (Tata Memorial Hospital, Fortis Hospital and Jaslok Hospital) and hotels (JW Marriott, St. Regis, Four Seasons Hotel and Renaissance).

- *Transport infrastructure*: The city is well connected via road (Eastern Express Highway, Western Express Highway, Eastern Free Way and Bandra-Worli Sea Link) and rail (suburban rail and a metro network across 390 km carrying approximately 8 million passengers daily) (*Source: Mumbai Rail Vikas Corporation*). Mumbai has the second busiest airport in India (Chhatrapati Shivaji Maharaj International Airport had 45.87 million passengers in FY 2020 (*Source: Airports Authority of India*) connecting to 61 domestic and 48 international destinations). Mumbai Region also has the largest container port of India (Jawaharlal Nehru Port Trust which handled 68.45 million tons of cargo in FY 2020) (*Source: Jawaharlal Nehru Port Trust, Mumbai Railway Vikas Corporation (MRVC)*).

- *Ongoing/planned infrastructure projects*: Key initiatives include: (i) US$ 12 billion of proposed investment from 2019 to 2024 for the Navi Mumbai International Airport (expected to be completed by 2022, with a capacity of 60 million passengers per annum (*Source: CIDCO*), which is in close proximity to Mindspace REIT Assets, Mindspace Airoli East and Mindspace Airoli West); (ii) multiple metro lines (172 km of metro lines is expected to be operational, in phases, by 2022, which is expected to enhance the connectivity to Mindspace REIT Assets, Paradigm Mindspace Malad and The Square, BKC); (iii) various road projects, (including proposed 29.2 km coastal road, which would be an 8-lane road along the western coastline of Mumbai, which would further enhance north-south connectivity and 21.8 km Mumbai Trans Harbour Link); and (iv) the monorail

  (*Source: https://cidco.maharashtra.gov.in/navi_mumbai_airport*)

Mumbai Region Office Market

The table below highlights the key statistics pertaining to Mumbai's Grade-A office markets:

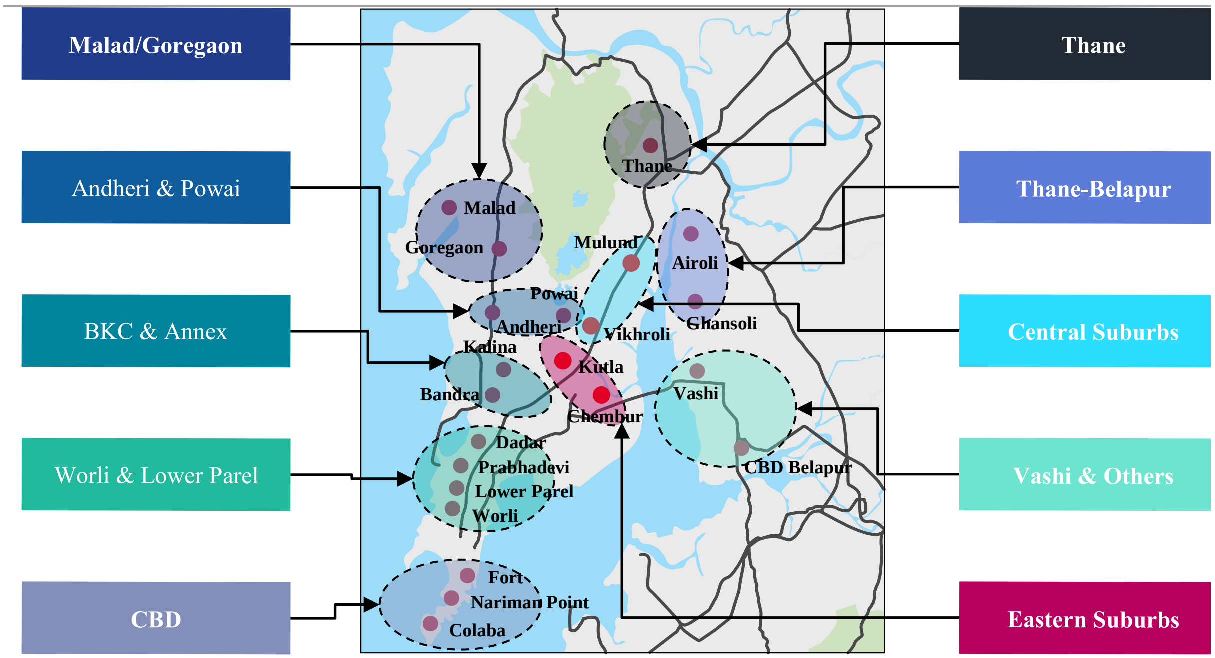
Particulars	Details
Stock (Q1 2020)	Approximately 92.2 msf
Current occupied stock (Q1 2020)	Approximately 76.3 msf
Current vacancy (Q1 2020)	Approximately 17.2%

Particulars	Details
Average annual absorption (2014 – Q1 2020)	Approximately 4.7 msf
Future supply (Q2 2020 - 2022)	Q2 – Q4 2020: Approximately 4.1 msf (approximately 35.9% of supply is pre-leased) 2021: Approximately 7.0 msf (approximately 16.6% of supply is pre-leased) 2022: Approximately 3.6 msf

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

Mumbai Region: Key Office Micro-Markets

The Mumbai Region office market consists of ten micro-markets: Central Business District ("**CBD**"), Andheri and Powai, Thane Belapur Road, Malad-Goregaon, Worli-Lower Parel, Bandra Kurla Complex ("**BKC**") and Annex, Thane, Central Suburbs, Eastern Suburbs, Vashi and others. The map below shows various commercial hubs of Mumbai Region:



(Source: C&W Report)

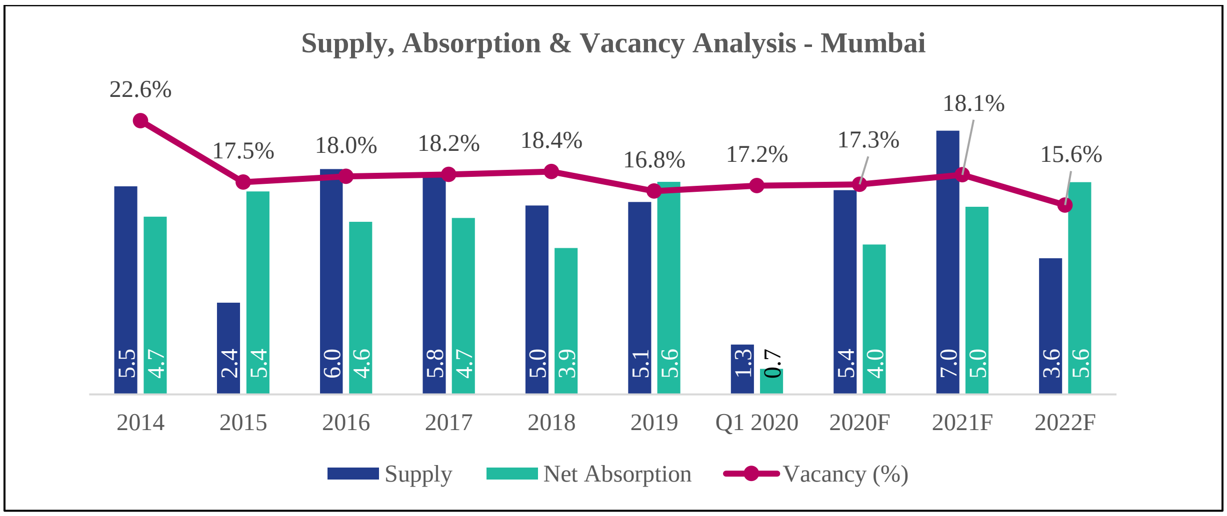
Particulars	Mumbai	CBD	Andheri and Powai	*Thane Belapur Road	*Malad - Goregaon	Worli - Lower Parel	*BKC and Annex	Thane	Central Suburbs	Eastern Suburbs	Vashi and Others
Stock (Q1 2020)	92.2	2.1	20.2	14.2	13.5	10.0	9.5	8.5	5.6	4.9	3.7
Current occupied stock (Q1 2020) (msf)	76.3	1.9	17.3	12.0	11.1	8.5	8.4	6.9	3.6	4.5	2.1
Current vacancy (Q1 2020) (%)	17.2%	7.0%	14.3%	15.5%	18.2%	15.7%	11.3%	18.9%	36.4%	7.8%	42.1%
Average annual absorption (2014 – Q1 2020) (msf)	4.7	0.02	0.7	0.9	0.5	0.4	0.5	0.6	0.4	0.3	0.2
Future supply:	14.7	0.0	1.0	3.4	1.2	3.3	1.2	2.4	0.4	1.2	0.8

Particulars	Mumbai	CBD	Andheri and Powai	*Thane Belapur Road	*Malad - Goregaon	Worli - Lower Parel	*BKC and Annex	Thane	Central Suburbs	Eastern Suburbs	Vashi and Others
(Q2 2020 – 2022) (msf)											
Market rent: Q1 2020 (INR psf / month) (approx..)	136.0	230.4	132.4	61.6	118.5	196.7	274.4	69.8	143.5	120.0	94.4

(Source: C&W Report)
** Mindspace REIT's micro-markets.*
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

Mumbai Region: Supply, Net Absorption and Vacancy

Vacancy in Mumbai Region stood at 17.2% in Q1 2020. The overall vacancies are higher due to high vacancy in certain micro-markets, which traditionally have strata buildings with smaller floor plates and sub-optimal infrastructure. Due to COVID-19 and the challenges faced by the commercial real estate sector, C&W expects the vacancy to remain stable at 17.3% in 2020. However, robust demand and traction from occupiers in the long term is expected to further reduce the vacancy to 15.6% by 2022. The following graph represents historical supply, net absorption and vacancy levels along with upcoming supply across Mumbai Region (2014 to 2022F):

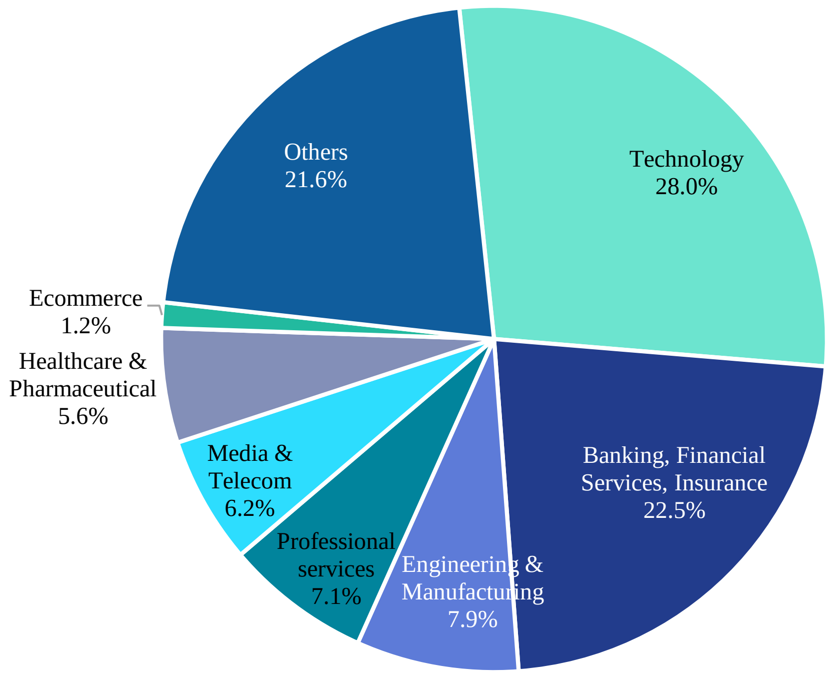


(Source: C&W Report)
Note:
(1) Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.
(2) The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.
(3) Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

Mumbai Region: Sectoral Demand Trend

Mumbai Region has a diverse tenant base across India's key services sector industries. Being the financial capital of India, Mumbai also has a large percentage of financial services tenants. The following chart depicts sectoral absorption analysis of Mumbai Region (2014 to Q1 2020):

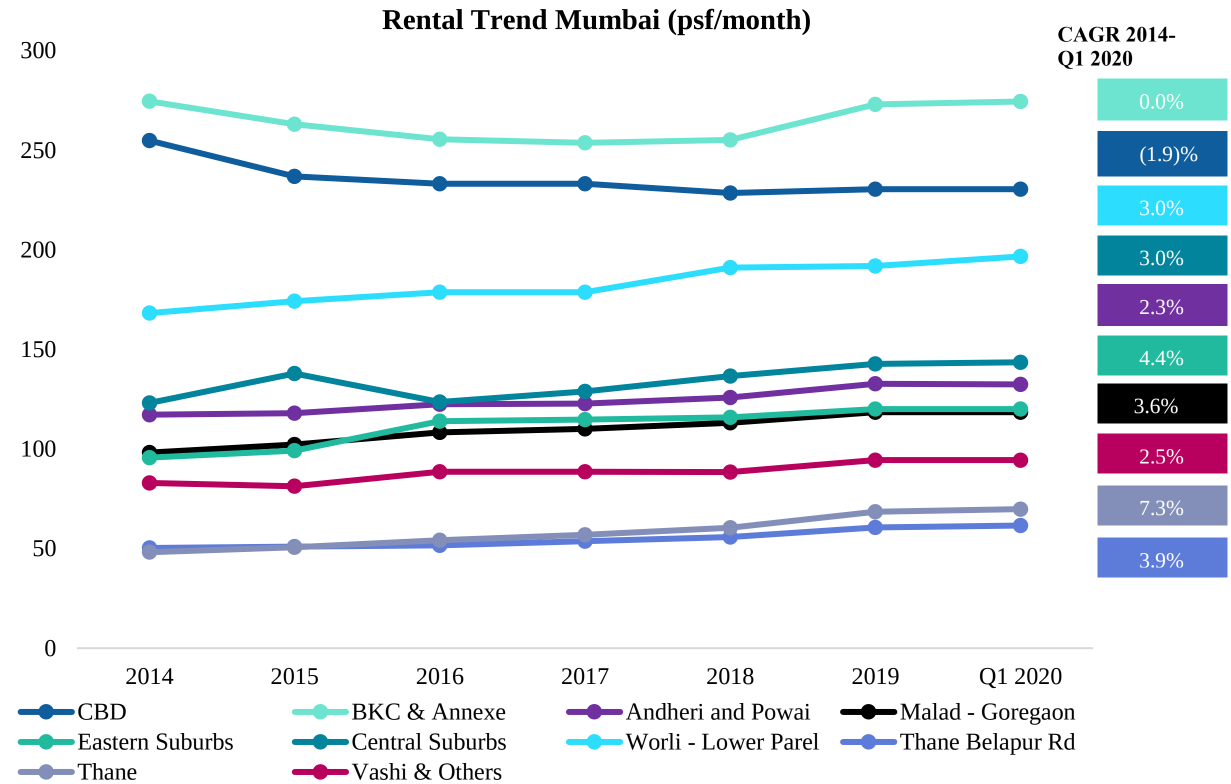
2014-Q1 2020 Sectoral Absorption



(Source: C&W Report)
Note: Others include automobile, education, flexible workspaces, hospitality, logistics and shipping, oil and gas, research and analysis, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of Mumbai i.e. including any relocations, consolidations etc.

Mumbai Region: Rent Analysis

Various micro-markets of Mumbai have observed limited rental growth over the past few years. However, select micro-markets are expected to witness accelerated growth due to favorable demand/supply dynamics. These micro-markets are suitable for technology and financial services tenants as they offer competitive rentals, large floor plates and proximity to talent pools. Further, upcoming infrastructure projects (Navi Mumbai International Airport, Mumbai Metro expansion and Goregaon-Mulund Link Road) are expected to augment the connectivity of these micro-markets and contribute to the increase in the demand for office space. However, due to COVID-19, C&W expects the rentals to witness a stagnation in the near term. The following graph depicts the rental trend analysis of the Mumbai Region (2014 to Q1 2020):



(Source: C&W Report)
Note: The rentals are basis the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Mindspace REIT's Micro-Markets in Mumbai Region

Mindspace REIT has four assets in Mumbai Region.

In Thane Belapur Road micro-market, Mindspace REIT has two assets, Mindspace Airoli East and Mindspace Airoli West (situated on an aggregate area of approximately 100 acres and comprises 18 buildings), which are the largest and second largest parks, respectively, in the .

Additionally, Paradigm Mindspace Malad, a Mindspace REIT Asset with 0.7 msf of Total Leasable Area, is located in the Malad-Goregaon micro-market. Also, the Square, BKC, a Mindspace REIT Asset with 0.1 msf of Total Leasable Area, is located in the BKC and Annex micro-market.

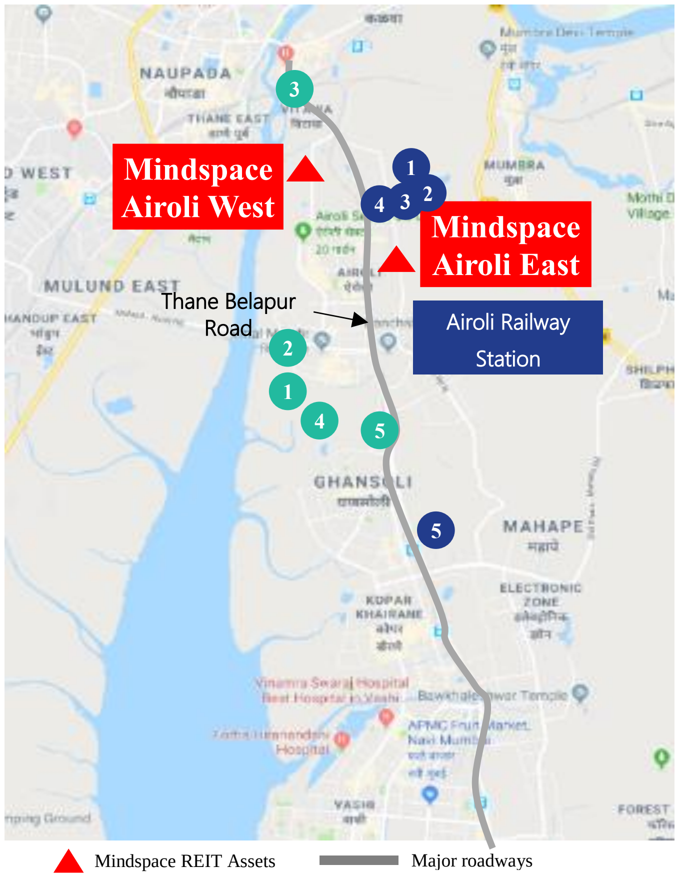
Thane-Belapur Road

Thane-Belapur Road has been one of the key micro-markets for Mindspace REIT in the Mumbai Region. Mindspace REIT has two SEZ and IT park assets in the micro-market: Mindspace Airoli East and Mindspace Airoli West.

Overview

Thane-Belapur Road has emerged as the preferred location for office tenants because of its proximity to the large residential areas of Thane and Navi Mumbai, affordable rents and robust connectivity. Thane-Belapur Road is presently connected to the rest of Mumbai and other parts of the country by a network of highways (Mumbai Pune Expressway, Sion-Panvel Expressway) and railways. The development of international airport in Navi Mumbai with a planned capacity of 60 million is expected to further improve domestic and international connectivity and drive further office demand (*Source: CIDCO*). Mindspace Airoli East and Mindspace Airoli West are amongst the large-scale, quality business parks, which are close to the upcoming international airport.

With large-scale campus style commercial developments, Thane-Belapur Road has emerged as the hub for office tenants in technology and financial services. The micro-market contributed approximately 15.4% of the office stock of Mumbai Region as of Q1 2020. . With campus style development, connectivity through railway network and limited number of office parks with comparable scale, Mindspace REIT's assets have emerged as one of the preferred locations of choice.



(Source: C&W Report)

Key Commercial Developments	Social Infrastructure	Lifestyle Infrastructure
1. Empire Tower	1. DAV Public School	Multiple QSRs*
2. Reliable Tech Park	2. National Burns Hospital	Hotel Golden Crest
3. Liberty Tower	3. Jai Bhagwan College	
4. Reliable Tech Plaza	4. Apple Hospital	
5. Aurum Q Park 1	5. St. Xavier's High School	

(Source: C&W Report)

**QSR stands for Quick Service Restaurant*

Thane-Belapur Road: Supply/Demand Dynamics

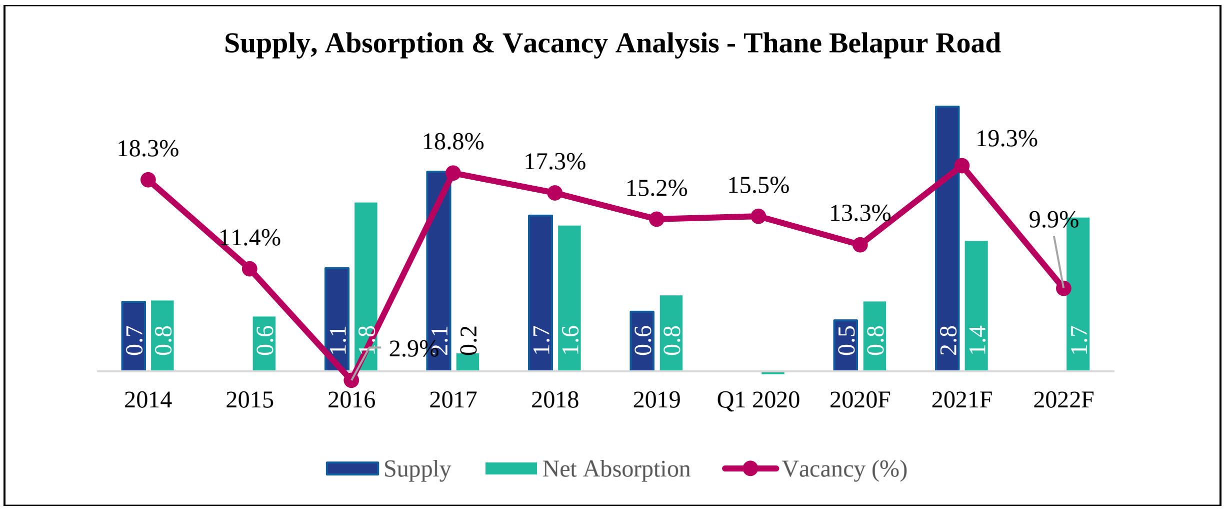
Particulars	Details
Stock (Q1 2020)	Approximately 14.2 msf
Current occupied stock (Q1 2020)	Approximately 12.0 msf
Current vacancy (Q1 2020)	Approximately 15.5%
Average annual absorption (2014 – Q1 2020)	Approximately 0.9 msf
Future supply (Q2 2020 - 2022)	Q2 – Q4 2020: Approximately 0.5 msf

Particulars	Details
	2021: Approximately 2.8 msf 2022: 0.0 msf

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

Thane-Belapur Road: Supply, Net Absorption and Vacancy

The vacancy in Thane-Belapur Road micro-market stood at 15.5% in Q1 2020. Mindspace REIT enjoys approximately 590 bps lower vacancy in comparison to the market (comprising of strata buildings with few amenities and small floor plates which are unsuitable for large tenants) in Q1 2020. Due to COVID-19 and the challenges faced by the commercial real estate sector, C&W expects a delay in completion of the under-construction projects, resulting in an increase in vacancy to 19.3% in 2021, due to influx of 2.8 msf of supply in the same year. However, with increased traction from occupiers expected in Grade-A assets, the vacancy is estimated to decrease to 9.9% by 2022F. The following graph represents supply, net absorption and vacancy levels in Thane-Belapur Road micro-market (2014 to 2022F):



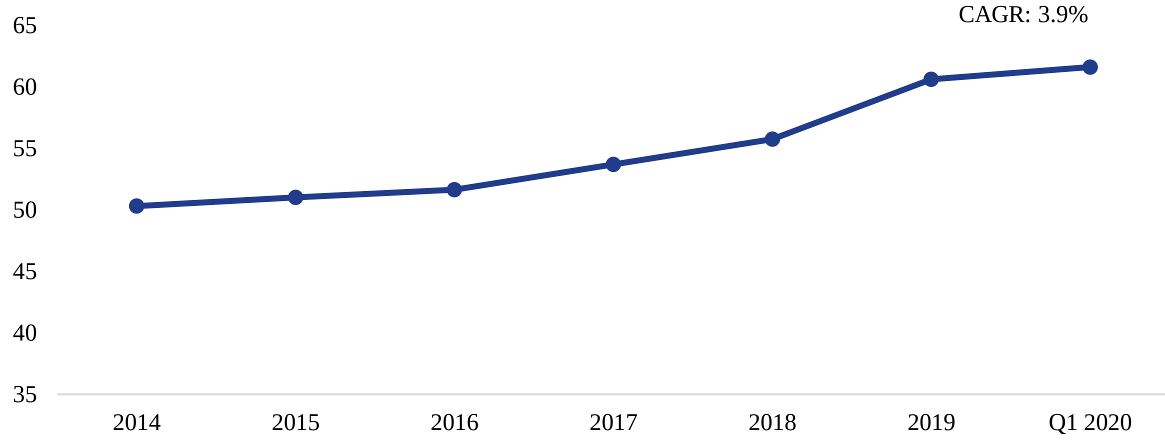
(Source: C&W Report)
Note:

1) *Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders. Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.*
2) *The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building*
3) Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders.

Thane-Belapur Road: Rental Trend

The Thane-Belapur Road micro-market has witnessed steady increase in rentals since 2014, with a CAGR of 3.9% up to Q1 2020, primarily due to increasing traction from tenants in technology, financial services, healthcare and pharmaceutical sectors. Due to COVID-19, the rentals are expected to remain stagnant in the near term. The following graph depicts the rental trend in Thane-Belapur Road micro-market (2014 to Q1 2020):

Rental Trend - Thane Belapur Road (INR psf / month)



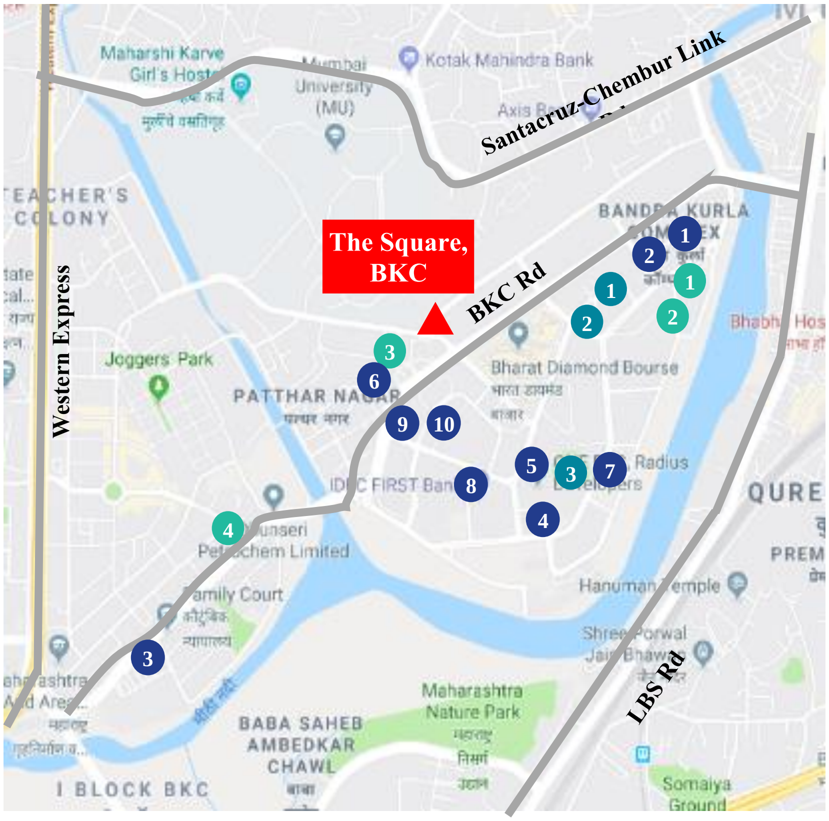
(Source: C&W Report)
Note: The rentals are basis the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

BKC and Annex

The Square, BKC, a Mindspace REIT Asset with 0.1 msf of Total Leasable Area, is located in the BKC and Annex micro-market, which has emerged as Mumbai's financial hub and one of the most established commercial micro-markets in Mumbai.

Overview

The BKC and Annex micro-market has witnessed substantial office development over the last decade. The micro-market is well connected to the rest of Mumbai through road infrastructure and the upcoming metro line 3 is expected to further enhance the connectivity for commuters. The micro-market houses various tenants from financial services and consulting sectors and has head offices of multiple MNCs, Indian private sector companies and public sector undertakings. Other key occupiers include NSE, SEBI and Consulates of USA and New Zealand.



Mindspace REIT Asset   Major roadways

Key Commercial Developments	Social Infrastructure	Lifestyle Infrastructure
1) FIFC	1) American School of Bombay	1) Sofitel Hotel
2) TCG Financial Centre	2) Dhirubhai Ambani International School	2) Trident Hotel
3) Maker Maxity	3) Asian Heart Hospital	3) Mumbai Cricket Association
4) Godrej BKC	4) Guru Nanak Hospital	
5) One BKC		
6) Adani Inspire phase I		
7) Parinee Crescenzo		
8) Raheja Tower		
9) IL&FS Finance Centre		
10) The Capital		

(Source: C&W Report)

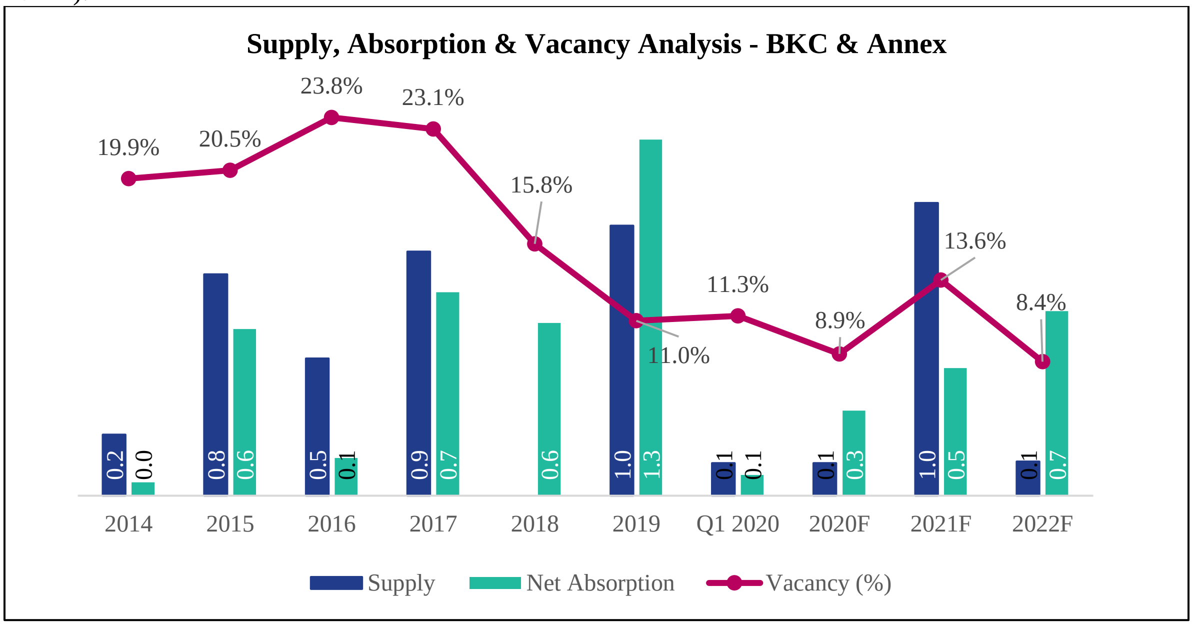
BKC and Annex: Supply/Demand Dynamics

Particulars	Details
Stock (Q1 2020)	Approximately 9.5 msf
Current occupied stock (Q1 2020)	Approximately 8.4 msf
Current vacancy (Q1 2020)	Approximately 11.3%
Average annual absorption (2014 – Q1 2020)	Approximately 0.5 msf
Future supply (Q2 2020 - 2022)	Q2 – Q4 2020: Approximately 0.0 msf 2021: 1.0 msf 2022: Approximately 0.1 msf

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

BKC and Annex: Supply, Net Absorption and Vacancy

Due to availability of Grade-A buildings coupled with strong connectivity and well-developed social infrastructure, BKC and Annex has witnessed sustained leasing activity. The vacancy in the micro-market stands at 11.3% as of Q1 2020. Due to the COVID-19 pandemic and the challenges faced by the commercial real estate sector, the vacancy is expected to increase to 13.6% in 2021F. However, with continuous demand and traction from occupiers coupled with limited supply in future, C&W expects the vacancy to reduce to 8.4% by 2022F. The following graph represents supply, net absorption and vacancy levels in BKC and Annex micro-market (2014 – 2022F):



(*Source: C&W Report)*

Note:

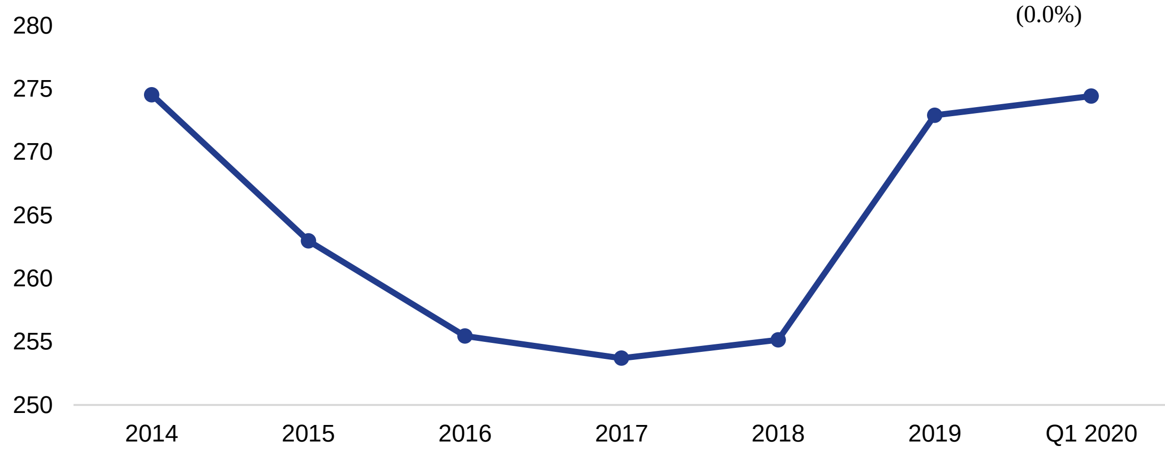
1) *Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.*
2) *The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.*
3) Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

BKC and Annex: Rental Trend

Due to central location, strong connectivity and high-quality infrastructure in place, BKC and Annex registered a substantial premium in rentals over other micro-markets and was approximately 19.1% higher than CBD in Q1 2020. Limited supply since 2018 and sustained demand led to an increase in the rentals in 2019. However, the rentals have not witnessed a significant increase from the 2019 levels and stand at INR 274 psf / month as of Q1 2020.

The following graph depicts the rental trend in BKC and Annex micro-market (2014 to Q1 2020):

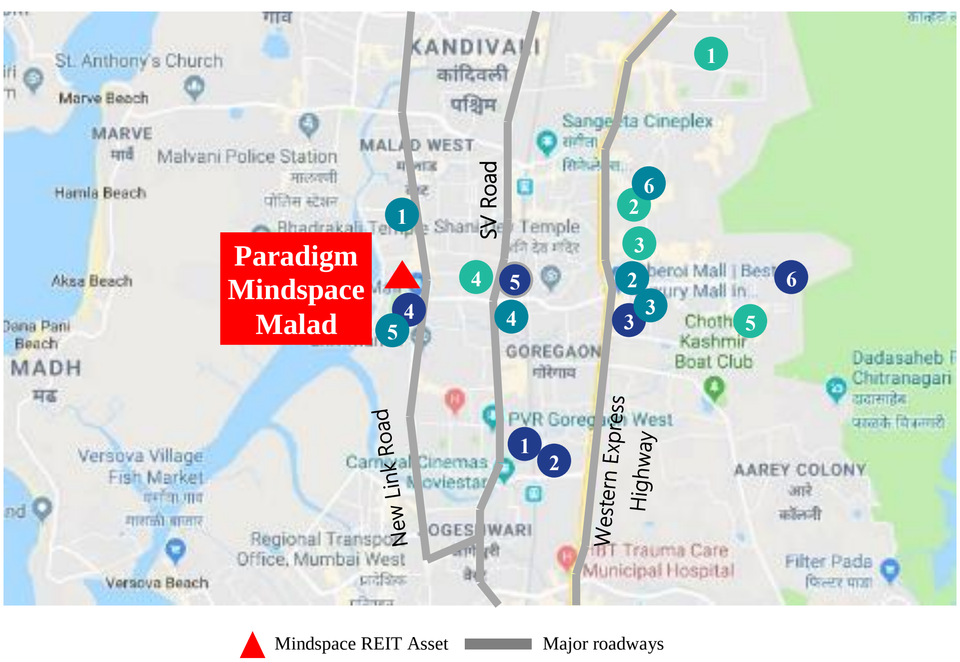
Rental Trend Analysis - BKC & Annex (INR psf / month)



(Source: C&W Report)
Note: The rentals are basis the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Malad-Goregaon

Paradigm Mindspace Malad, a Mindspace REIT asset with 0.7 msf of Total Leasable Area, is located in the Malad-Goregaon micro-market.



(Source: C&W Report)

Key Commercial Daevelopments	Social Infrastructure	Lifestyle Infrastructure
1) Nirlon Knowledge Park	1) DNA multi-speciality Hospital	1) Infiniti Mall
2) NESCO IT Park	2) SRV Hospital	2) Oberoi Mall
3) Oberoi Commerz	3) DTSS college of Commerce	3) Westin Hotel
4) Prism Towers	4) Dr. S Radhakrishnan International School	4) Radisson Hotel
5) Techniplex – I & II	5) St. Xavier's High School	5) Inorbit Mall

Key Commercial Daevelopments	Social Infrastructure	Lifestyle Infrastructure
6) Infinity IT Park - TRIL		6) Hub Mall

Overview

Malad–Goregaon micro-market is located in the north-western part of Mumbai. The micro-market has good social infrastructure with the presence of restaurants, multiplexes, schools, hospitals and colleges and is well connected with rest of the city by road (Western Express Highway, Link Road and S.V. Road) and rail (Western Railway Network). There are multiple upcoming infrastructure developments involving road, flyover and metro rail line which are expected to further improve the connectivity. The demand for commercial space in the micro-market has significantly increased over the past few years and is driven by proximity to talent pool, availability of buildings with larger floor plates, superior integrated office parks and better connectivity as compared to other parts of the city. Multiple MNCs in financial services space have opened their GCCs in the Malad-Goregaon micro-market.

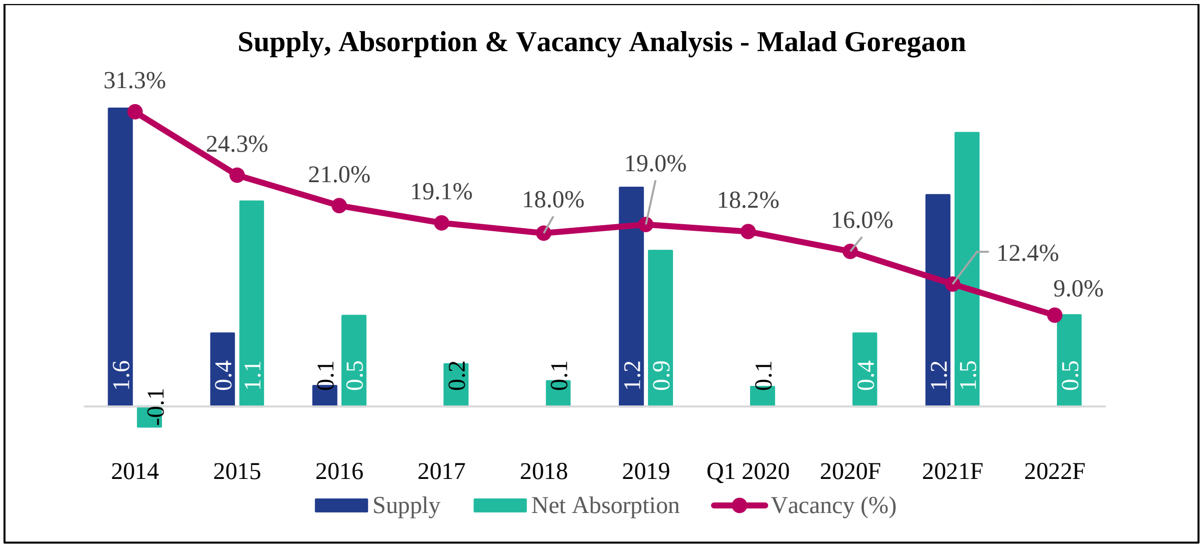
Malad-Goregaon: Supply/Demand Dynamics

Particulars	Details
Stock (Q1 2020)	Approximately 13.5 msf
Current occupied stock (Q1 2020)	Approximately 11.1 msf
Current vacancy (Q1 2020)	Approximately 18.2%
Average annual absorption (2014 – Q1 2020)	Approximately 0.5 msf
Future supply (Q2 2020 - 2022)	Q2 – Q4 2020: 0.0 msf 2021: Approximately 1.2 msf (100% of the supply is pre-leased) 2022: 0.0 msf

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

Malad-Goregaon: Supply, Net Absorption and Vacancy

Due to sustained tenant demand and constrained supply, vacancies declined steadily through 2014 to 2018 and stood at 18.0% in 2018. Vacancy increased to 19.0% in 2019 due to completion of approximately 1.2 msf of office space in the micro-market. Although current average vacancy in the micro-market is higher, offices comparable to Paradigm Mindspace Malad have approximately 500 bps lower vacancy than the micro-market in Q1 2020. Further, in contrary to the historical supply-demand dynamics in the micro-market, net absorption of 0.4 msf is forecasted in 2020, due to expected subdued demand in the micro-market primarily due to COVID-19. However, with continuous demand and traction from occupiers coupled with limited supply in future, C&W expects the vacancy to reduce to 9.0% by 2022. The following graph represents supply, net absorption and vacancy levels in Malad-Goregaon micro-market (2014 to 2022F):



(*Source: C&W Report)*

Note:

1) *Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.*
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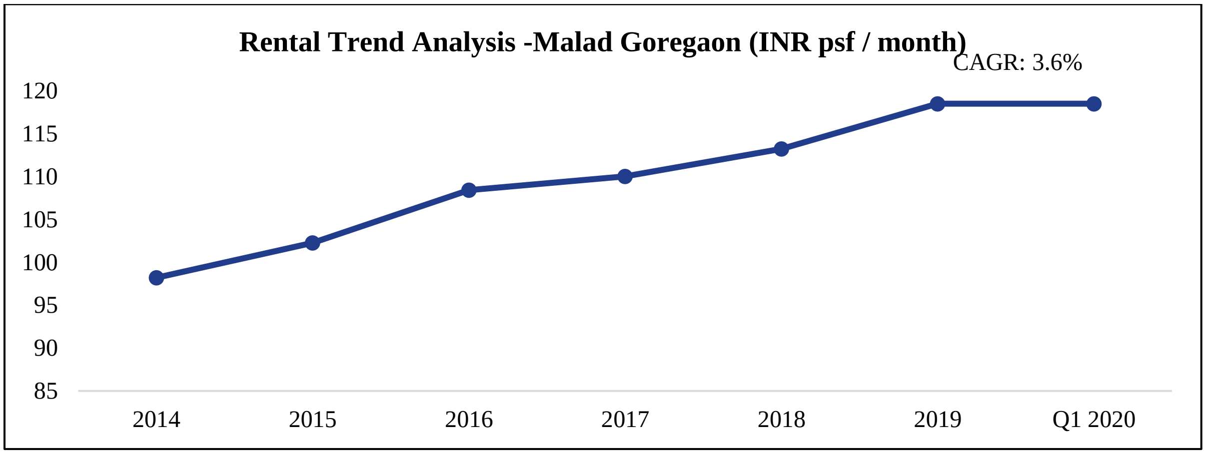
3) *Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders*

Malad-Goregaon: Rental Trend

Due to increasing traction and limited supply in Malad–Goregaon micro-market, the rentals in this micro-market have witnessed an increasing trend since 2014. This micro-market is also witnessing an increased traction from GCCs because of enhanced connectivity and proximity to residential areas. The following graph depicts the rental trend in Malad-Goregaon micro-market (2014 to Q1 2020):



(Source: C&W Report)

Note: The rentals are basis the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Pune

Overview

Pune is the second most populous city in Maharashtra and is located at a distance of approximately 150 km from Mumbai. Pune is called the "Oxford of the East" and houses multiple educational institutions, which attract young talent from across the country. Pune is a hub for the technology sector and houses companies such as Wipro, Infosys, Cognizant, Tata Consultancy Services, CISCO and Atos. The city is also an established industrial, defense and automobile hub and houses companies such as Mahindra and Mahindra, TATA Motors, Bajaj, JCB, Hyundai, Volkswagen, Mercedes Benz, Fiat, Forbes Marshall and GE India.

The key drivers of demand for office space in Pune are as follows:

- *Quality Grade-A offices*: Pune houses Grade-A office spaces and SEZs (15 operational SEZs which account for 22.1 msf of office stock (*Source: Ministry of Commerce & Industry*)) with large floor plates and quality infrastructure and amenities, which attract major technology companies such as IBM and Cognizant as well as financial companies such as Credit Suisse and Barclays.

- *Educated and skilled workforce:* High literacy rate of 89.6% (*Source: Census of India, 2011*) and various renowned institutes (approximately 800 colleges) such as College of Engineering Pune, Pune University and National Institute of Construction Management and Research provide companies with the requisite talent pool.

- *Well-developed social infrastructure:* There are several high streets (FC Road, JM Road and North Main Road), hotels (such as JW Marriott, Hyatt Regency and Lemon Tree) and hospitals (such as Aditya Birla Memorial Hospital and Jehangir Hospital) in the city, which provide a good network of social infrastructure.

- *Existing and upcoming infrastructure:* Pune is well-connected by rail, roads (Mumbai – Pune Expressway and Mumbai-Bengaluru Highway) and air (Pune International Airport) to major Indian cities. There are several upcoming infrastructure initiatives such as high-capacity mass transit route (which is expected to further improve connectivity for Mindspace REIT Assets, Commerzone Yerwada and The Square, Nagar Road), six-lane ring road, metro lines (which are expected to further improve connectivity for Mindspace REIT Asset, The Square, Nagar Road) and the new international airport (under planning stage) which are expected to further enhance the connectivity.

Pune Office Market

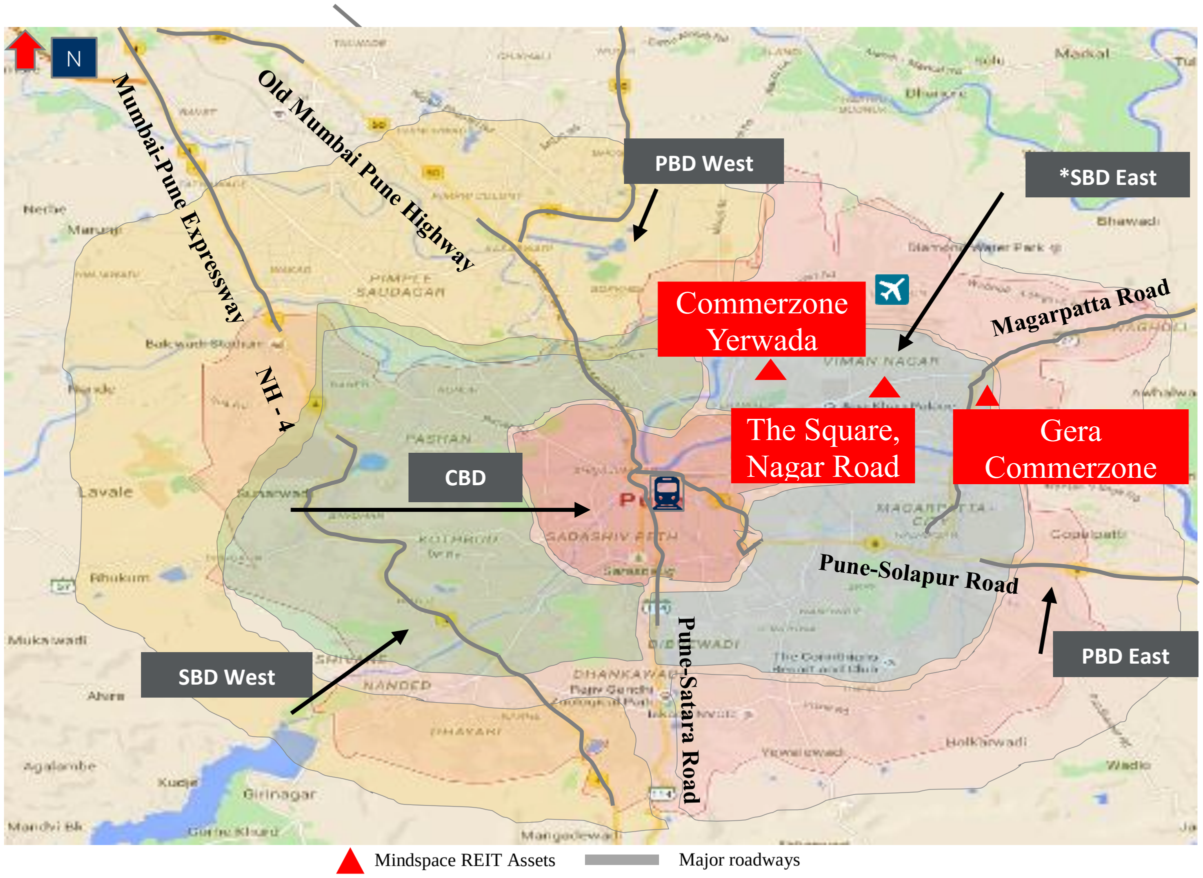
The table below highlights the key statistics of Pune's Grade-A office market:

Particulars	Details
Stock (Q1 2020)	Approximately 54.0 msf
Current occupied stock (Q1 2020)	Approximately 51.6 msf
Current vacancy (Q1 2020)	Approximately 4.5%
Average annual absorption (2014 – Q1 2020)	Approximately 3.9 msf
Future supply (Q2 2020 – 2022)	Q2– Q4 2020: Approximately 1.8 msf (24.5% of the supply is pre-leased) 2021: Approximately 6.4 msf (14.5% of the supply is pre-leased) 2022: Approximately 7.7 msf (6.1% of the supply is pre-leased)

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

Pune: Key Office Micro-Markets

Pune office market consists of five micro-markets: Central Business District ("**CBD**"), Secondary Business District-East ("**SBD East**"), SBD West, PBD West and PBD East. The map below shows various commercial hubs of Pune:



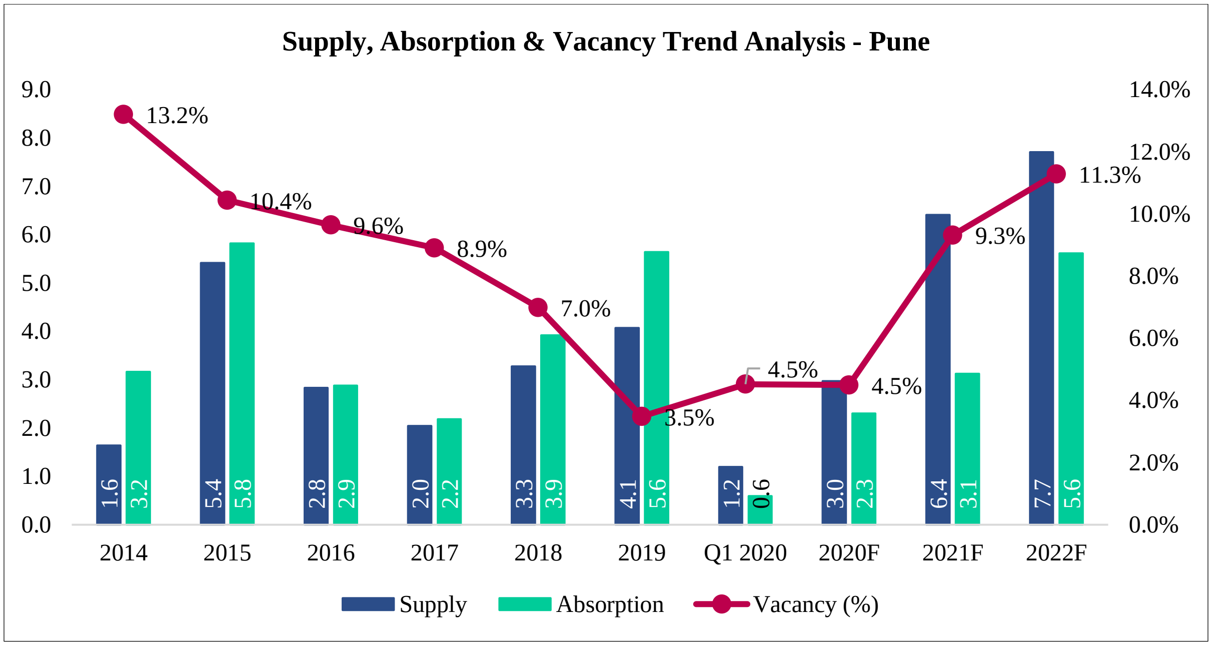
(Source: C&W Report)

Particulars	Pune	CBD	*SBD East	PBD West	SBD West	PBD East
Stock Q1 2020 (msf)	54.0	4.3	29.5	12.4	5.9	1.9
Current occupied stock Q1 2020 (msf)	51.6	4.3	28.6	11.1	5.8	1.9
Current vacancy Q1 2020 (%)	4.5%	0.8%	3.3%	11.1%	0.8%	0.8%
Average annual absorption - 2014 – Q1 2020 (msf)	3.9	0.2	2.1	0.8	0.6	0.2
Future supply – Q2 2020 – 2022 (msf)	15.9	1.6	6.7	4.0	2.7	0.9
Market rent – Q1 2020 (₹ psf/month)	87.3	100.1	100.2	53.8	91.6	64.6

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)
**Mindspace REIT's micro-market.*

Pune: Supply, Net Absorption and Vacancy

Strong demand has led to a reduction in vacancy from 13.2% in 2014 to 4.5% in Q1 2020. Due to COVID-19 and the challenges faced by the commercial real estate sector, C&W expects vacancy to maintain level of 4.5% in 2020. With delayed completion of under-construction projects and staggered revival of growth in demand, the vacancy is expected to increase to 11.3% by 2022. The following graph represents supply, net absorption and vacancy trends in Pune (2014 to 2022F):



(Source: C&W Report)

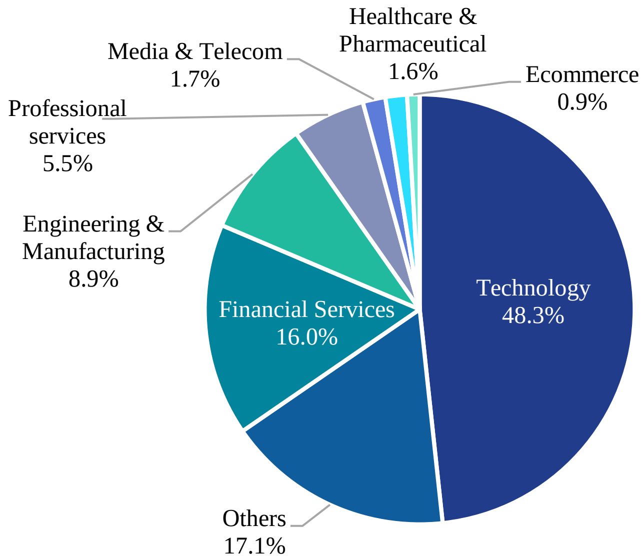
Note:

1) *Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.*
2) *The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.*
3) *Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders*

Pune: Sectoral Demand

Technology sector has been the major demand driver, accounting for 48.3% of the total gross absorption from 2014 to Q1 2020. The following chart depicts sectoral absorption analysis of Pune (2014 to Q1 2020):

2014 - Q1 2020 Sectoral Absorption



(Source: C&W Report)

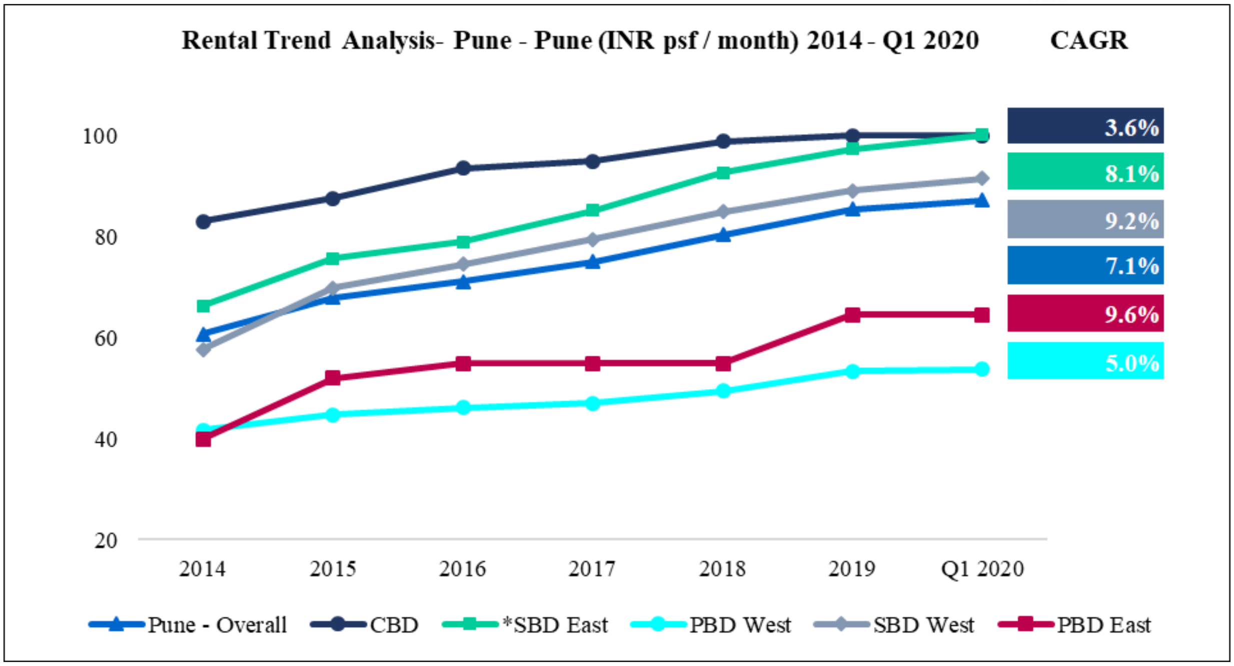
Note:

(1) Others include Flexible Workspaces, Logistics and Shipping, Oil and Gas, Research & Analysis, Automobile, Food and Beverage, Hospitality, Real Estate and Related Services and Education.

(2) The sectoral absorption analysis is based on gross absorption activity of the city i.e. including any relocations. consolidations etc.

Pune: Rental Trend

With increased demand from technology and financial services companies and favorable demand-supply dynamics, Pune rentals have grown at a CAGR of 7.1% since 2014. Due to attractive fundamentals, the rentals of the SBD East micro-market have outperformed the overall Pune market and have grown at a CAGR of 8.1% since 2014. Due to the COVID-19 pandemic, C&W expects the rentals to be stagnant and a slightly longer time frame for leasing of available spaces in the near future as a result of temporarily suppressed demand for the next 12 months. The following graph depicts the rental trend in Pune (2014 to Q1 2020):



(Source: C&W Report)

Note: The rentals are basis prevailing quote in the micro-market. Actual achievable rent may vary +/-10% depending upon negotiations, final structuring of the lease agreement and other parameters. In case of pre-commitments the achievable rent may vary beyond +/-10% depending upon negotiations.

Pune: Mindspace REIT's Micro-Markets

Mindspace REIT has two assets, Commerzone Yerwada (which is situated on 25.7 acres of land and comprising Mindspace REIT's share of 7 buildings) and The Square, Nagar Road (which is situated on 10.1 acres of land and comprises two buildings totalling 0.7 msf of Total Leasable Area), which are located in the SBD East micro-market. In addition, Mindspace REIT has an under-construction asset, Gera Commerzone Kharadi, which is also located in the SBD East micro-market (2.6 msf of leasable area). Recently, two buildings in the Gera Commerzone Kharadi are completed (1.2 msf of leasable area).

SBD East

Overview

SBD East micro-market is located adjacent to the Central Business District, with easy access to dominant commercial and residential areas in Pune. Presence of good social and physical infrastructure, robust connectivity and proximity to the International Airport has led SBD East to emerge as a preferred commercial destination. The micro-market houses major global and national companies providing high value-added services such as Barclays, Eaton, Tieto, Credit Suisse, Zensar Technologies and Allstate.

(Source: C&W Report)

Key Commercial Developments	Social Infrastructure	Lifestyle Infrastructure
1. Business Bay	1. VIBGYOR High School	1. Ritz Carlton (Nearing Completion)
2. Tech Park One	2. Don Bosco High School	2. Creaticity Mall
3. Mutha Towers	3. Lunkad Hospital	3. Hyatt Place
4. Binarius	4. Ebdoscopic Sinustic Treatment Centre	4. Novotel
5. Bajaj House	5. Symbiosis University	5. Hyatt Regency
6. Lunkad Sky Vista	6. Hi Line Hospital	6. Phoenix Market City Mall
7. Marvel Edge	7. International Institute of Hotel Management	7. Radisson Blu
8. World Trade Centre	8. Columbia Asia Hospital	8. Fairfield Marriott
9. Eon Free Zone	9. Phoenix World School	
10. Zensar Technologies	10. Dhole Patil College of Engineering	

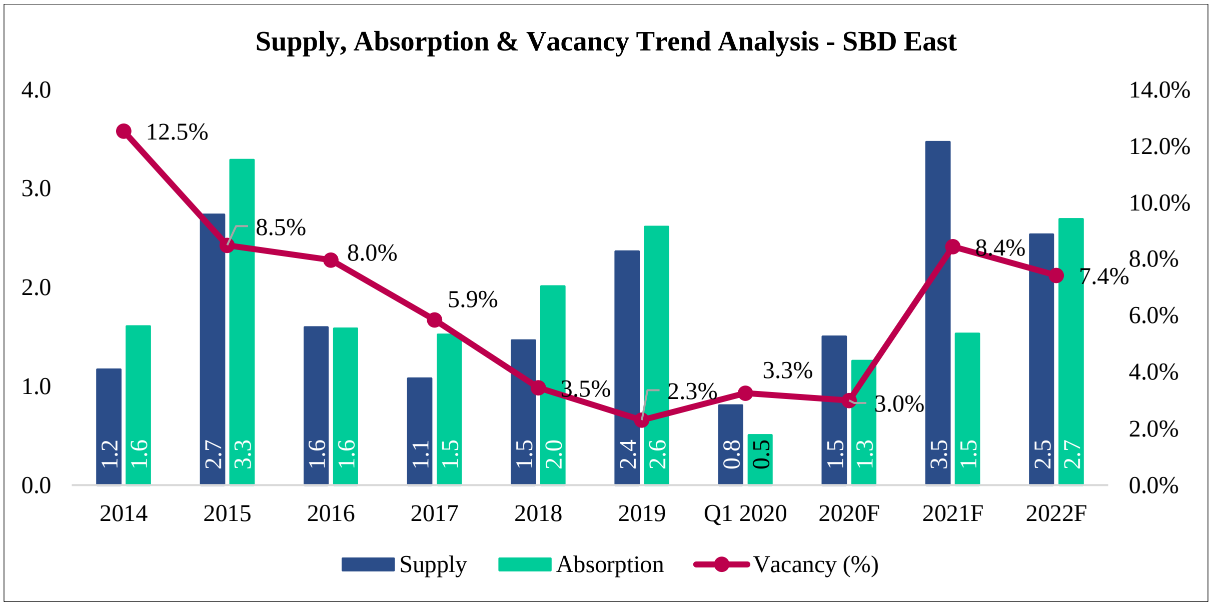
SBD East: Supply/Demand Dynamics

Particulars	Details
Stock (Q1 2020)	Approximately 29.5 msf
Current occupied stock (Q1 2020)	Approximately 28.6 msf
Current vacancy (Q1 2020)	Approximately 3.3%
Average annual absorption (2014 – Q1 2020)	Approximately 2.1 msf
Future supply (Q2 2020 – 2022)	Q2 – Q4 2020: Approximately 0.7 msf (44.0% of the supply is pre-leased) 2021F: Approximately 3.5 msf (8.9% of the supply is pre-leased) 2022F: Approximately 2.5 msf

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

SBD East: Supply, Net Absorption and Vacancy

Vacancy in SBD East micro-market has declined significantly from 12.5% in 2014 to 3.3% in Q1 2020 due to absorption outstripping supply. Under-construction projects have witnessed strong pre-lease commitments with 44.0% of supply during Q2 to Q4 2020 being leased out. Due to COVID-19 and the challenges faced by the commercial real estate sector, the under-construction projects are expected to be delayed resulting in decrease in vacancy level to 3.0% in 2020F. Further, due to delayed completion of under-construction projects and staggered revival of growth in demand, vacancy is expected to increase to 8.4% in 2021and maintain vacancy level of 7.4% by 2022. The following graph represents supply, net absorption and vacancy trends in SBD East micro-market (2014 to 2022F):



(Source: C&W Report)
Note:

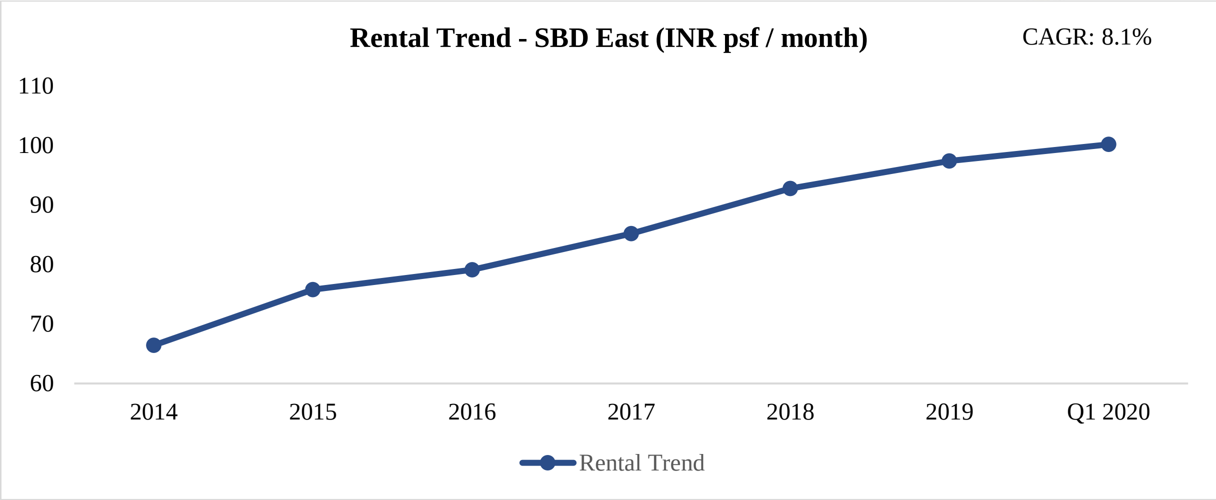
(1) Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.

(2) The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.

(3) Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

SBD East: Rental Trend

The following graph depicts the rental trend of SBD East micro-market (2014 to Q1 2020):



(Source: C&W Report)

Note: The rentals are basis prevailing quote in the micro-market. Actual achievable rent may vary +/-10% depending upon negotiations, final structuring of the lease agreement and other parameters. In case of pre-commitments the achievable rent may vary beyond +/-10% depending upon negotiations.

Chennai

Overview

Chennai is the cultural, economic and educational centre of South India, which is located on the Coromandel Coast of the Bay of Bengal. It is the capital city of Tamil Nadu with an estimated population of approximately 9.97 million, as per 2011 Census of India. It is one of the largest electronics and hardware hubs accounting for 45% of the total sector exports (*Source: Government of Tamil Nadu Statistical Hand Book*, *2010-2011*). Additionally, the Chennai-Hosur-Bengaluru stretch is amongst the largest auto manufacturing clusters in India and houses large MNCs such as Ford Motors and Hyundai.

The key demand drivers for office space in Chennai are as follows:

- *Growing technology and financial services industry*: Chennai is amongst the preferred destinations for office space for technology and financial services companies. It is home to companies such as Infosys, Wipro, Accenture, TCS, Cognizant, American Express, Fidelity and Royal Bank of Scotland. Also, the recent formalization of the Tamil Nadu Information Communication Technology Policy is expected to provide a further boost to the technology industry in Chennai through establishment of additional hubs for software development, product development and IT enabled services.

- *Skilled talent pool and established institutions*: Presence of top educational institutions, such as the Indian Institute of Technology and Anna University, provide companies with a large pool of skilled workforce.

- *Well-developed social infrastructure*: Chennai has well-developed social infrastructure such as large-scale residential developments, schools, established education institutions, hotels (such as ITC Chola, Park Hyatt and Radisson Blu), malls (such as Phoenix Market City, VR Mall, Express Avenue and The Palladium) and hospitals (such as MIOT Hospitals, Apollo Hospitals and SIMS Hospital).

- *Existing and upcoming infrastructure*: Chennai has well-developed road, port, rail (metro and Mass Rapid Transit Systems) and air connectivity network. Additionally, upcoming infrastructure such as metro rail phase II, outer ring road, Chennai-Bengaluru industrial corridor and the proposed international airport are expected to further enhance its connectivity.

Chennai Office Market

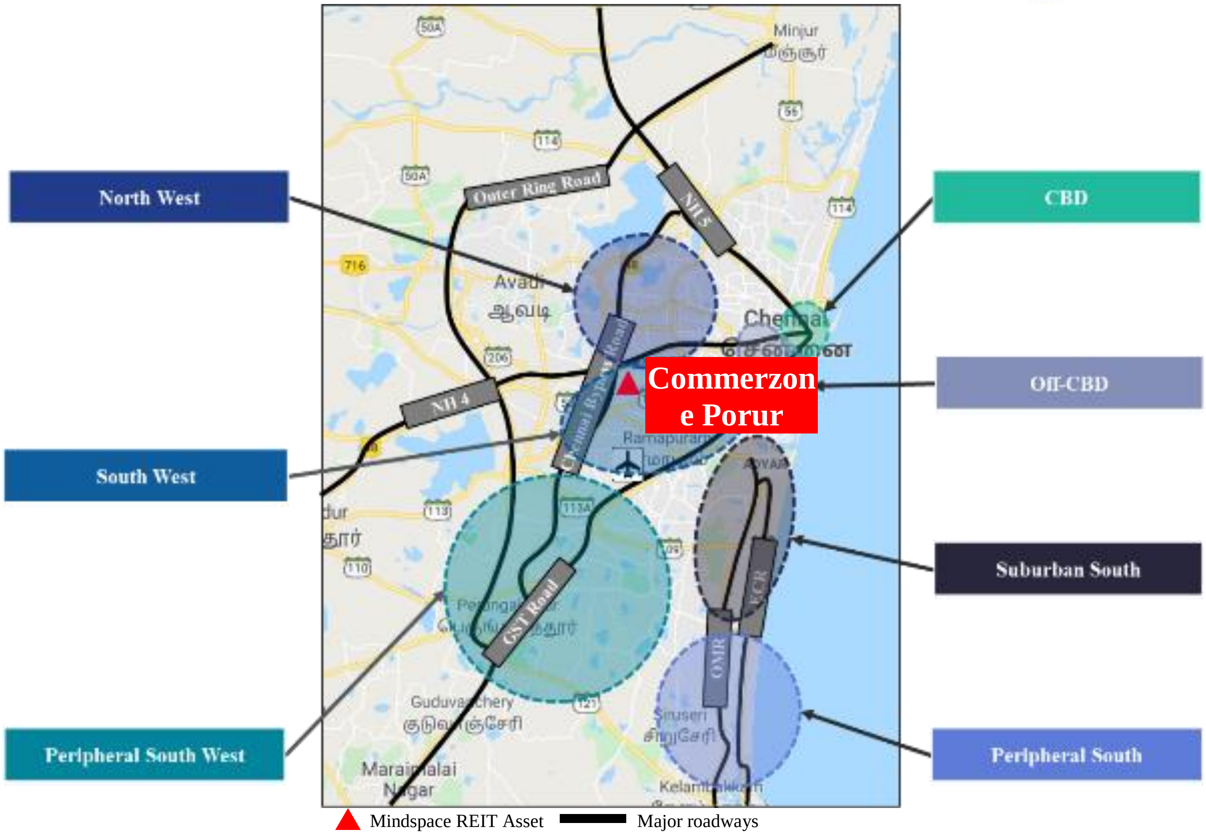
The table below highlights the key statistics of Chennai's Grade-A office market:

Particulars	Details
Stock (Q1 2020)	Approximately 50.5 msf
Current occupied stock (Q1 2020)	Approximately 45.8 msf
Current vacancy (Q1 2020)	Approximately 9.4%
Average annual absorption (2014 – Q1 2020)	Approximately 2.6 msf
Future supply (Q2 2020 – 2022)	Q2 – Q4 2020: Approximately 3.6 msf (27.7% of supply is pre-leased) 2021: Approximately 3.5 msf (45.7% of supply is pre-leased) 2022: Approximately 1.3 msf (22.6% of supply is pre-leased)

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

Chennai Key Office Micro-Markets

There are primarily seven commercial micro-markets in the city: CBD, Off-CBD, South West, North West, Suburban South, Peripheral South and Peripheral South West. The map below shows various office clusters of Chennai:



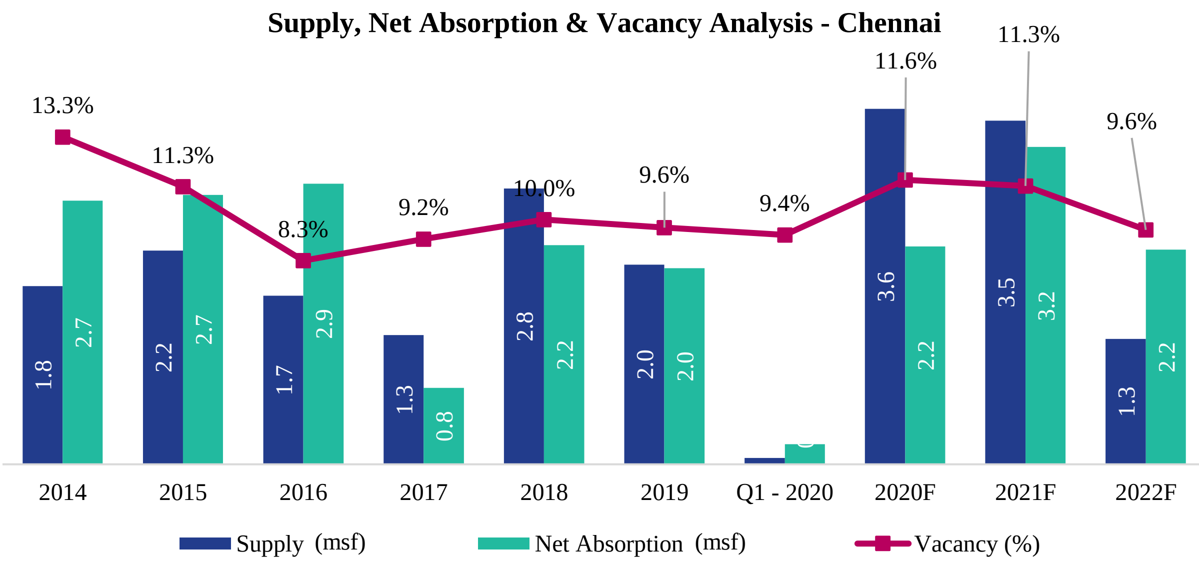
(Source: C&W Report)

Particulars	Chennai	CBD	Off CBD	Suburban South	Peripheral South	*South West	Peripheral South West	North West
Stock Q1 2020 (msf)	50.5	2.7	0.54	16.5	11.9	11.4	4.3	3.2
Current occupied stock Q1 2020 (msf)	45.8	2.4	0.4	15.8	10.0	11.2	3.6	2.5
Current vacancy – Q1 2020 (%)	9.4%	11.7%	29.2%	4.1%	16.3%	1.8%	15.6%	23.8%
Average annual absorption - 2014 – Q1 2020 (msf)	2.6	0.2	0.01	0.9	0.6	0.5	0.3	0.2
Future supply – Q2 2020 – 2022 (msf)	8.4	0.2	0.05	2.0	0.1	3.0	3.0	0.00
Market rent – Q1 2020 (₹ psf / month)	68.9	80.3	83.3	84.8	51.4	75.3	49.6	44.6

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)
**Mindspace REIT's micro-markets.*

Chennai: Supply, Net Absorption and Vacancy

Strong demand from technology and financial services sectors have led to vacancy reducing from 13.3% in 2014 to 9.4% in Q1 2020. Due to COVID-19 and the challenges faced by the commercial real estate sector, the vacancy is expected to increase to 11.6% in 2020, however, with continuous demand and traction from occupiers coupled with upcoming supply in future, C&W expects it to stabilize at 9.6% by 2022. The following graph sets forth supply, net absorption and vacancy trends across Chennai (2014 to 2022F):



(Source: C&W Report)

Note:

(1) Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.

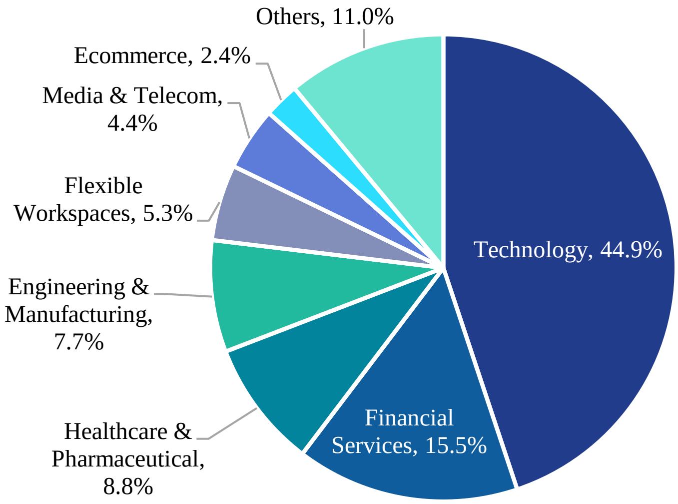
(2) The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.

(3) Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

Chennai: Sectoral Demand

The following chart depicts sectoral absorption analysis of Chennai (2014 - Q1 2020):

2014 - Q1 2020 Sectoral Absorption

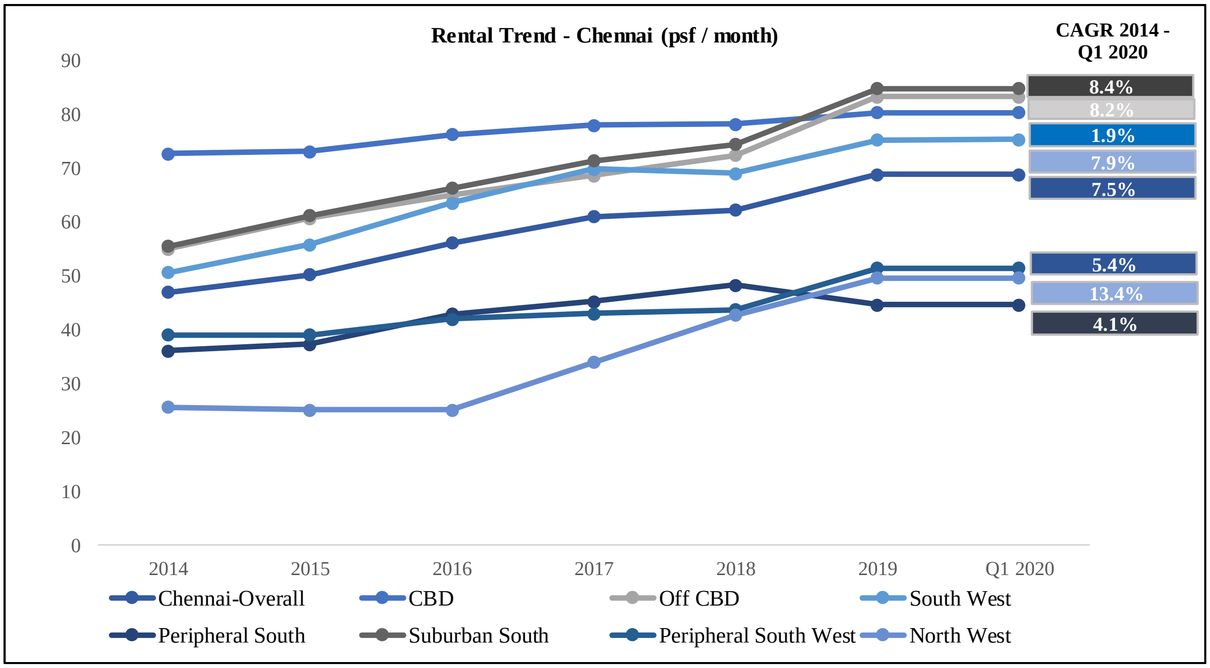


(Source: C&W Report)

Note: The sectoral absorption analysis is based on gross absorption activity of the city/micro-market i.e. including any relocations, consolidations etc.

Chennai: Rental Trend

Chennai rentals have grown at a CAGR of 7.5% since 2014 due to strong demand from technology and financial services companies. The following graph depicts the rental trend analysis of Chennai (2014 - Q1 2020):



(Source: C&W Report)

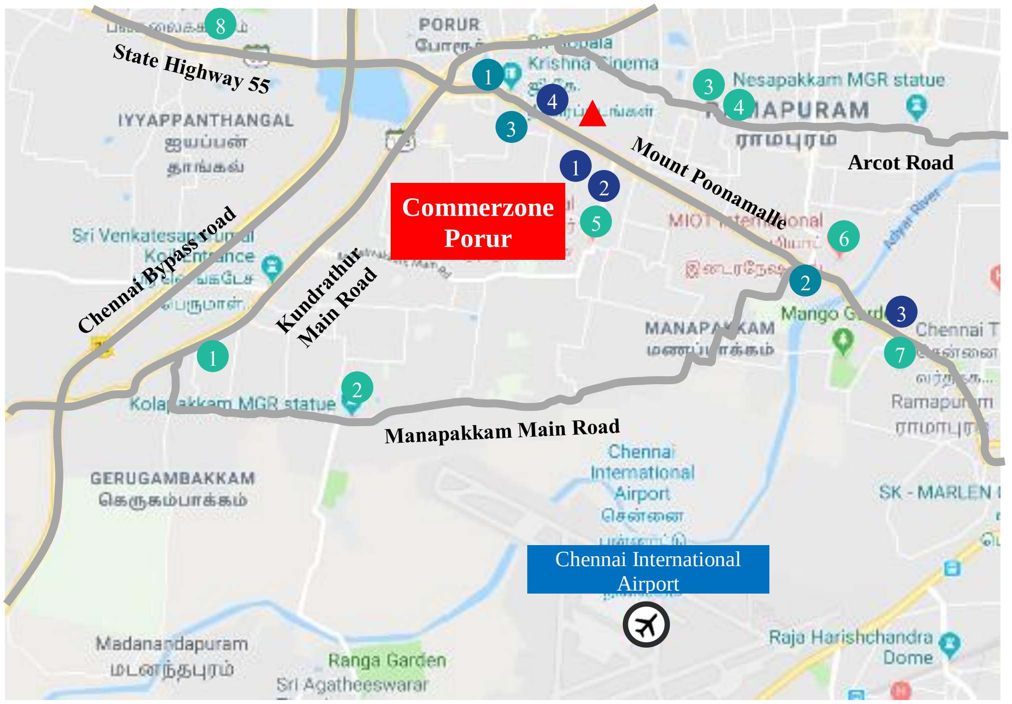
Chennai: Mindspace REIT's Micro-Market

Mindspace REIT has an under-construction asset, Commerzone Porur (which is expected to be completed by Q1 FY21), which is located in the South West micro-market of Chennai.

South West

Overview

The South West micro-market is one of the key real estate micro-markets with major roadways such as Inner Ring Road and Mount Poonamalle High Road. Chennai Metro Rail line 2 is planned to be routed via this micro-market. South West micro-market has witnessed robust demand due to the presence of strong infrastructure facilities and closeness to the CBD and the Chennai International Airport. The micro-market is a preferred destination for major companies including IBM, Cognizant, Ernst and Young, TransUnion, BNY Mellon and Barclays.



Mindspace REIT Asset   Major roadways

Key Commercial Developments	Social Infrastructure	Lifestyle Infrastructure
1. DLF IT SEZ Park	1. PSBB School	1. Saravana Stores
2. L&T Construction HQ	2. Velammal School	2. Lemon Tree Hotel
3. Jayant Tech Park	3. SRM Dental College	3. FBB (Future Retail)
4. RMZ One Paramount	4. SRM Eswari College	
	5. Kedar Hospital	
	6. MIOT International Hospital	
	7. Chennai Trade Centre	
	8. Sri Ramachandra Hospital	

South West: Supply/Demand Dynamics

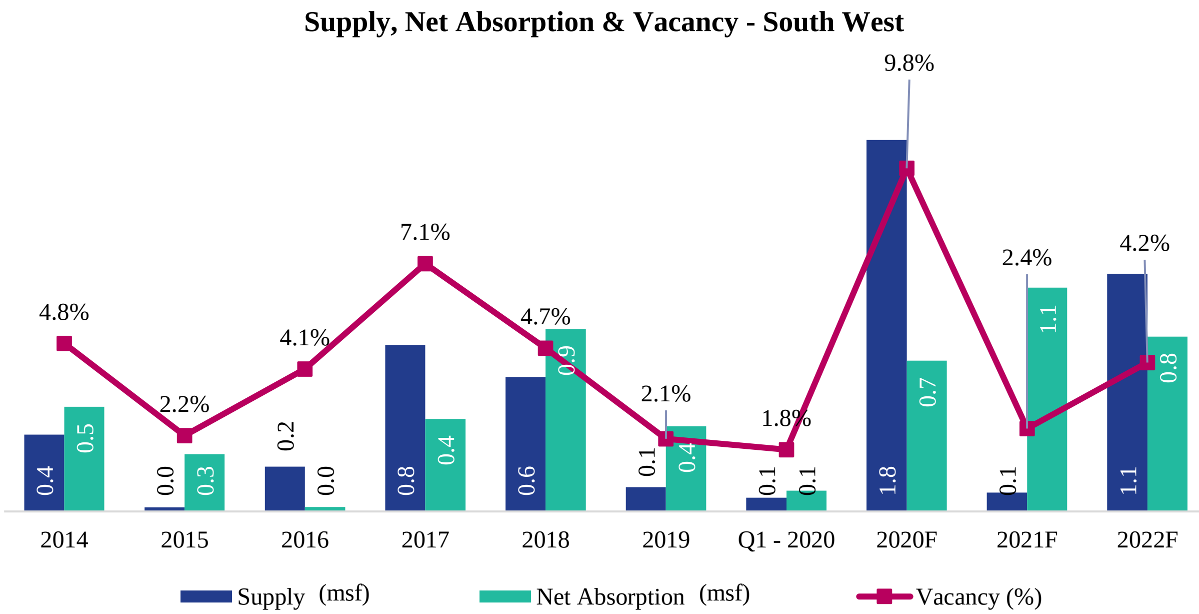
Particulars	Details
Stock (Q1 2020)	Approximately 11.4 msf
Current occupied stock (Q1 2020)	Approximately 11.2 msf
Current vacancy (Q1 2020)	Approximately 1.8%
Average annual absorption (2014 – Q1 2020)	Approximately 0.5 msf

Particulars	Details
Future supply (Q2 2020 – 2022)	Q2 – Q4 2020: Approximately 1.8 msf (28.6% of the supply is pre-leased) 2021: Approximately 0.1 msf 2022: Approximately 1.1 msf (25.6% of the supply is pre-leased)

(Source: C&W Report
Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders)

South West: Supply, Net Absorption and Vacancy

Due to COVID-19 and the challenges faced by the commercial real estate sector, the vacancy is expected to increase to 9.8% in 2020, however, with continuous demand and traction from occupiers coupled with upcoming supply in future, C&W expects it to remain stable at 4.2% by 2022. The following graph sets forth supply, net absorption and vacancy trends in South West micro-market (2014-2022F):

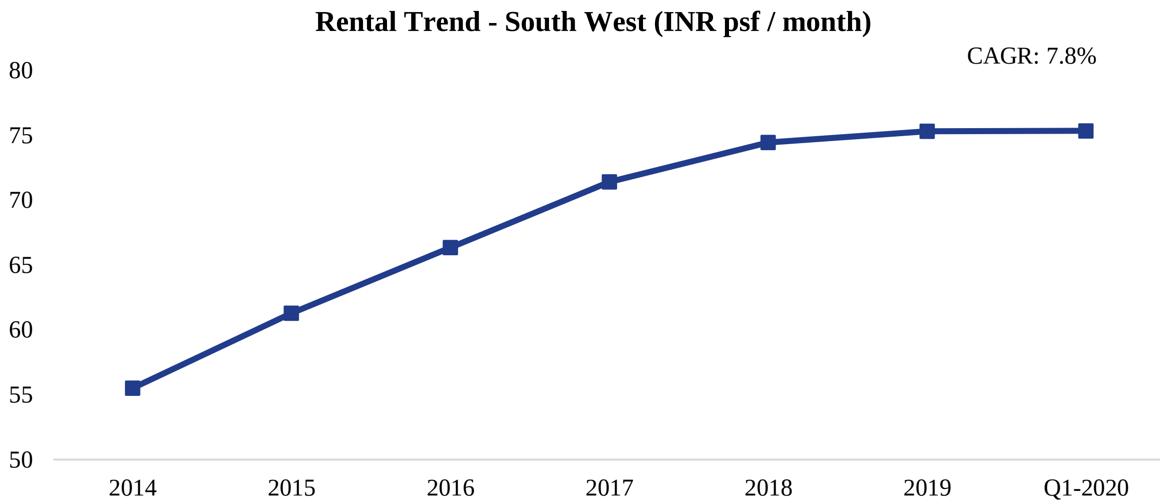


(Source: C&W Report)
Note:

(1) Future supply estimates are based on analysis of under construction projects considering their physical progress, available information on their approvals and interactions held with various stake holders; Future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.
(2) The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments and renewals. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.
(3) Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders

South West: Rental Trend

South West micro-market has witnessed limited supply, which has driven the rental growth since 2014. The following graph depicts the rental trend analysis of South West micro-market (2014 to Q1 2020):



(Source: C&W Report)

REIT Management Fees

The management fees structure of the key Asian office REITs is illustrated below:

	Ascendas India Trust[1][2]	Maple Tree[1]	CapitaLand Commercial[1]	Suntec REIT[1]	Keppel REIT[1]	Embassy REIT[3]
Base Fees	0.5% of Gross Asset Value	0.25% of Gross Asset Value	0.1% of Gross Asset Value	0.3% of Gross Asset Value	0.5% of Gross Asset Value	NA
REIT Management Fees	4% of Net Property Income	4% of Net Property Income	5.25% of Net Property Income	4.5% of Net Property Income	3% of Net Property Income	1% of Distributions
Property Management Fees	2% of Gross Revenue	2% of Gross Revenue 2% of Net Property Income[4]	3% of Net Property Income	3% of Gross Revenue	3% of Net Property Income	3% of Rental Revenue
Acquisition Fees	1% of Acquisition Price	1% of Acquisition Price	1% of Acquisition Price	1% of Acquisition Price	1% of Acquisition Price	NA
Divestment Fees	0.5% of Sale Value	0.5% on the Sale Value	0.5% of Sale Value	0.5% of Sale Value	0.5% of Sale Value	NA

Notes:

(1) Top five office REITs, by market capitalization, as of March 31, 2020, which are listed in Singapore.

(2) REIT listed in Singapore with assets in India.

(3) REIT listed in India.

(4) Additional fee of 0.5% per annum of the Net Property Income for the relevant property in lieu of leasing commissions otherwise payable to the property manager and/or third-party agents.

FINANCIAL INFORMATION OF MINDSPACE REIT

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE CONDENSED COMBINED FINANCIAL STATEMENTS OF THE MINDSPACE BUSINESS PARKS GROUP

To

The Governing Board,
K. Raheja Corp Investment Managers LLP (the "Investment Manager") in its capacity as an Investment Manager of the Mindspace Business Parks REIT (the "Issuer" or the Trust")
Raheja Tower, Plot No. C-30, Block 'G',
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Report on the Audit of the Special Purpose Condensed Combined Financial Statements of the Mindspace Business Parks Group

Opinion

We have audited the accompanying Special Purpose Condensed Combined financial statements of Mindspace Business Parks Real Estate Investment Trust ('the Trust') and its proposed trust subsidiaries Avacado Properties and Trading (India) Private Limited ('Avacado), Gigaplex Estate Private Limited ('Gigaplex), Horizonview Properties Private Limited ('Horizonview'), Intime Properties Limited ('Intime'), KRC Infrastructure and Projects Private Limited ('KRC Infra'), K. Raheja IT Park (Hyderabad) Limited ('KRIT'), Mindspace Business Parks Private Limited ('MBPPL') and Sundew Properties Limited ('Sundew') (collectively, the "Mindspace Business Parks Group" or the "SPVs") as described in Note 1 of the Special Purpose Condensed Combined Financial Statements, which comprise the Condensed Combined Balance Sheets as at March 31, 2020, March 31, 2019 and March 31, 2018, the Condensed Combined Statement of Profit and Loss (including other comprehensive income), the Condensed Combined Statement of Changes in Equity and the Condensed Combined Statement of Cash Flows for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 and notes to the Special Purpose Condensed Combined Financial Statements, and including a summary of significant accounting policies and other explanatory information (together referred to as the Special Purpose Condensed Combined Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Condensed Combined Financial Statements give a true and fair view in accordance with the basis of preparation set out in Note 2 to the Special Purpose Condensed Combined Financial Statements, of the state of affairs of the Mindspace Business Parks Group as at March 31, 2020, March 31, 2019 and March 31, 2018 and of its profit (including other comprehensive income), its changes in equity, and its cash flows for the years ended March 31, 2020, March 31, 2019 and March 31, 2018.

Basis for Opinion

We conducted our audit of the Special Purpose Condensed Combined Financial Statements in accordance with the Standards on Auditing (SAs) and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Special Purpose Condensed Combined Financial Statements section of our report. We are independent of the Mindspace Business Parks Group in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a reasonable basis for our opinion on the Special Purpose Condensed Combined Financial Statements.

Emphasis of Matters

(i) Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the Special Purpose Condensed Combined Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Condensed Combined Financial Statements have been prepared by the Investment Manager to meet the requirements of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended and the circulars and guidance issued thereunder (the “REIT Regulations”) and for inclusion in the draft offer document, the offer document and the final offer document (collectively, the “Offer Documents”) prepared by the Investment Manager in connection with the proposed initial public offering of the units of the Trust. As a result, the Special Purpose Condensed Combined Financial Statements may not be suitable for another purpose. Our report is intended solely for the purpose of inclusion in Offer Documents and is not to be used, referred to or distributed for any other purpose without our prior written consent.

(ii) We draw attention to Note 6 to the Special Purpose Condensed Combined Financial Statements, which states that the Management has revised the method of depreciation on certain assets and increased the useful life of constructed buildings from 60 years to 75 years, Plant and Machinery, Electrical installation and Infrastructure & Development assets from 10 years to 15 years and Roadwork assets from 5 to 15 years with effect from April 1, 2019 for the reasons explained in the note. This change has resulted into depreciation for the year ended 31 March 2020 to be lower by Rs. 1,124 millions.

(iii) We draw attention to Note 45 to the Special Purpose Condensed Combined Financial Statements regarding freehold land and building thereon (Paradigm, Malad) held by Avacado which is presently under litigation. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the Special Purpose Condensed Combined Financial Statements for the years ended March 31, 2020, March 31, 2019 and March 31, 2018.

Our opinion is not modified in respect of these matters.

Management’s Responsibility for the Special Purpose Condensed Combined Financial Statements

The Governing Board of the Investment Manager is responsible for the preparation and presentation of these Special Purpose Condensed Combined Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Mindspace Business Parks Group in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Condensed Combined Financial Statements for the purpose set out in “Emphasis of Matter - Basis of Accounting and Restriction on Use” paragraph above.

The respective Board of Directors of the companies (‘the SPVs’) included in the Mindspace Business Parks Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Mindspace Business Parks Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Condensed Combined Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Special Purpose Condensed Combined Financial Statements by the Governing Board of the Investment Manager, as aforesaid.

In preparing the Special Purpose Condensed Combined Financial Statements, the Governing Board of the Investment Manager is responsible for assessing the Mindspace Business Parks Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Mindspace Business Parks Group or to cease operations, or has no realistic alternative but to do so.

The Governing Board of the Investment Manager and trustees of the Trust are also responsible for overseeing the Mindspace Business Parks Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Condensed Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Condensed Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs and other pronouncements issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Condensed Combined Financial Statements.

As part of our audit in accordance with SAs and other pronouncements issued by ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Condensed Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Mindspace Business Parks Group's internal financial control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Governing Board of Investment Manager for the Mindspace Business Parks Group.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mindspace Business Parks Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Condensed Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Mindspace Business Parks Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Special Purpose Condensed Combined Financial Statements, including the disclosures, and whether the Special Purpose Condensed Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Condensed Combined Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Condensed Combined Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Condensed Combined Financial Statements.

We communicate with those charged with governance of the Mindspace Business Parks Group regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the REIT Regulations, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) The Condensed Combined Balance Sheets, Condensed Combined Statements of Profit and Loss (including Other Comprehensive Income), Condensed Combined Cash Flow Statements and Condensed Combined Statements of Changes in Equity, dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Special Purpose Condensed Combined Financial Statements;

c) In our opinion, the aforesaid Special Purpose Condensed Combined Financial Statements comply with the basis of preparation as stated in Note 2 to the Special Purpose Condensed Combined Financial Statements; and

d) In our opinion and according to the information and explanations given to us (refer to note 1 to the Statement of Total Returns at Fair Value and Statement of Net Assets at Fair Value), the Special Purpose Condensed Combined Financial Statements give the disclosures, in accordance with the REIT Regulations, in respect of the Total Returns at fair value for the year ended March 31, 2020 and the Net assets at fair value as at year ended March 31, 2020.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Reg. No. 117366W/W-100018)

Nilesh Shah
Partner
(Membership No. 49660)
(UDIN - 20049660AAAAAV9188)

Mumbai
June 20, 2020

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Condensed Combined Balance Sheet
(All amounts are in Rs. millions unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
ASSETS				
Non-current assets				
Property, plant and equipment	4	1,453	1,218	1,263
Capital work-in-progress	5	22	22	22
Investment property	6	56,710	40,244	39,411
Investment property under construction	7	17,724	19,059	14,026
Intangible assets	8	1	1	2
Financial assets				
- Investment in subsidiaries	9 A	-	-	0
- Investments	9 B	18	9	6
- Other financial assets	10	1,345	1,551	2,555
Deferred tax assets (net)	11	94	116	371
Non-current tax assets (net)	12	2,534	1,892	1,368
Other non-current assets	13	1,307	1,063	985
Total non-current assets		**81,208**	**65,175**	**60,009**
Current assets				
Inventories	14	52	33	21
Financial assets				
- Trade receivables	15	362	301	368
- Loans	16	21,763	21,000	21,129
- Cash and cash equivalents	17 A	2,209	275	207
- Other bank balances	17 B	352	355	239
- Other financial assets	18	5,763	3,939	2,418
Other current assets	19	405	247	305
Total current assets		**30,906**	**26,150**	**24,687**
Total assets before regulatory deferral account		**112,114**	**91,325**	**84,696**
Regulatory deferral account - assets	20	110	112	42
Total assets		**112,224**	**91,437**	**84,738**

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Condensed Combined Balance Sheet
(All amounts are in Rs. millions unless otherwise stated)
EQUITY AND LIABILITIES

	Note	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
EQUITY				
Capital	21	500	500	500
Instruments entirely equity in nature	22	824	824	824
Other equity	23	19,928	15,810	11,250
Equity attributable to controlling interest of Mindspace REIT		**21,252**	**17,134**	**12,574**
Non-controlling interest of Mindspace REIT	54	**1,663**	**1,336**	**999**
Total equity		**22,915**	**18,470**	**13,573**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	24	63,569	56,209	52,555
- Other financial liabilities	25	1,997	1,491	1,586
Provisions	26	9	8	5
Deferred tax liabilities (net)	27	2,788	1,513	1,842
Other non-current liabilities	28	601	278	2,291
Total non-current liabilities		**68,964**	**59,499**	**58,279**
Current liabilities				
Financial liabilities				
- Borrowings	29	3,943	1,394	1,586
- Trade payables	30			
- total outstanding dues of micro enterprises and small enterprises		112	71	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		711	621	781
- Other financial liabilities	31	14,751	9,700	9,864
Provisions	32	8	1	0
Other current liabilities	33	774	1,572	499
Total current liabilities		**20,299**	**13,359**	**12,730**
Total equity and liabilities before regulatory deferral account		**112,178**	**91,328**	**84,582**
Regulatory deferral account - liabilities	20	**46**	**109**	**156**
Total equity and liabilities		**112,224**	**91,437**	**84,738**
Significant accounting policies	3			
See the accompanying notes to the Condensed Combined Financial Statements	4-56			

As per our report of even date attached:

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number: 117366W/W-100018

for and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
(as Manager of the Mindspace Business Parks REIT)

Nilesh Shah
Partner
Membership number: 49660

Place: Mumbai
Date: 20 June 2020

Ravi C. Raheja
Member
DIN: 00028044
Place: Mumbai
Date: 20 June 2020

Neel C. Raheja
Member
DIN: 00029010
Place: Mumbai

Vinod N. Rohira
Chief Executive Officer
DIN: 00460667
Place: Mumbai

Preeti N. Chheda
Chief Financial Officer
DIN: 08066703
Place: Mumbai

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Condensed Combined Statement of Profit And Loss
(All amounts are in Rs. millions unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Income and gains				
Revenue from operations	34	17,660	14,316	12,631
Other income	35	2,602	2,481	2,391
Total Income		**20,262**	**16,797**	**15,022**
Expenses and losses				
Cost of work contract services	36	2,140	-	-
Cost of materials sold	37	3	4	8
Cost of power purchased	38	683	617	550
Employee benefits expense	39	68	44	39
Other expenses	40	3,650	3,518	4,176
Total Expenses		**6,544**	**4,183**	**4,773**
Earnings before finance costs, depreciation and amortisation, regulatory income / expense and tax		**13,718**	**12,614**	**10,249**
Finance costs	41	5,114	4,462	4,688
Depreciation and amortisation expense	42	1,146	2,196	2,054
Profit before rate regulated activities and tax		**7,458**	**5,956**	**3,507**
Add : Regulatory income/ (expense) (net)		14	70	(19)
Add : Regulatory income (net) in respect of earlier years		46	47	30
Profit before tax		**7,518**	**6,073**	**3,518**
Current tax (including previous year tax adjustments)	43	1,080	993	755
Deferred tax charge	43	1,578	86	1,514
MAT credit entitlement (including previous year tax adjustments)	43	(279)	(160)	(361)
Tax expense		**2,379**	**919**	**1,908**
Profit for the year		**5,139**	**5,154**	**1,610**
Profit for the year attributable to non-controlling interests *		392	365	127
Profit for the year attributable to owners of Mindspace Business Parks Group **		4,747	4,789	1,483

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Condensed Combined Statement of Profit And Loss
(All amounts are in Rs. millions unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Other comprehensive income				
A. (i) Items that will not be reclassified to profit or loss				
- Remeasurements of defined benefit liability/ (asset)		(1)	-	-
(ii) Income tax relating to above		-	-	-
B. (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to above		-	-	-
Other comprehensive income attributable to non controlling interests *		(0)	0	-
Other comprehensive income attributable to owners of Mindspace Business Parks Group **		(1)	(0)	-
Total comprehensive income for the year		**5,140**	**5,154**	**1,610**
Total comprehensive income for the year attributable to non controlling interests *		392	365	127
Total comprehensive income for the year attributable to owners of Mindspace Business Parks Group **		4,748	4,789	1,483
Earnings per unit	50			
Significant accounting policies	3			
See the accompanying notes to the Condensed Combined Financial Statements	4-56			

* This represents the share of profits attributable to the shareholders of the SPVs who have not agreed to exchange their shares in the SPVs for Units of Mindspace REIT and will not become the unitholders of Mindspace REIT.

** This represents the share of profits attributable to the shareholders of the SPVs who have agreed to exchange their shares in the SPVs for Units of Mindspace REIT and are proposed to become the unitholders of Mindspace REIT.

As per our report of even date attached:

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number: 117366W/W-100018

for and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
(as Manager of the Mindspace Business Parks REIT)

Nilesh Shah
Partner
Membership number: 49660

Place: Mumbai
Date: 20 June 2020

Ravi C. Raheja	Neel C. Raheja	Vinod N. Rohira	Preeti N. Chheda
Member	*Member*	*Chief Executive Officer*	*Chief Financial Officer*
DIN: 00028044	DIN: 00029010	DIN: 00460667	DIN: 08066703
Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 20 June 2020			

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)

Condensed Combined Financial Statements
Condensed Combined Statement of Cash Flow
(All amounts are in Rs. millions unless otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
A	**Cash flows from operating activities**			
	Profit before tax	**7,518**	**6,073**	**3,518**
	Adjustments for:			
	Depreciation and amortisation expense	1,146	2,197	2,056
	Finance costs	5,114	4,462	4,688
	Interest income	(2,498)	(2,435)	(2,333)
	(Profit)/ loss on sale of asset	(12)	(6)	1
	Bad debts written off	8	-	-
	Foreign exchange fluctuation loss/(gain) (net)	1	-	-
	Liabilities no longer required written back	(65)	(9)	(29)
	Provision for doubtful debts (net)	-	-	6
	Impairment for diminution in value of investments held	-	0	711
	Inventory written off	-	9	-
	Fixed asset written off	-	-	26
	Operating profit before working capital changes	**11,212**	**10,292**	**8,644**
	Movement in working capital			
	(Increase) in inventories	(19)	(21)	(1)
	Decrease / (increase) in trade receivables	(69)	67	(113)
	Decrease in other non-current financial assets	71	108	291
	(Increase) in other current financial assets	(251)	(6)	(3)
	Decrease / (increase) in other non-current assets	(44)	37	(15)
	Decrease / (increase) in other current assets	(158)	58	129
	Increase / (decrease) in other non current financial liabilities	133	(303)	(1,125)
	Increase in other current financial liabilities	441	632	1,429
	(Decrease) / increase in other non-current liabilities and provisions	324	31	(158)
	(Decrease) / increase in other current liabilities and provisions	(791)	157	(57)
	(Decrease) / increase in regulatory deferral account (assets / liabilities)	(60)	(117)	(11)
	(Decrease) / increase in trade payables	196	(80)	(150)
	Cash generated from operations	**10,985**	**10,855**	**8,860**
	Direct taxes paid net of refund received	(1,719)	(1,517)	(1,270)
	Net cash generated from operating activities (A)	**9,266**	**9,338**	**7,590**
B	**Cash flows from investing activities**			
	Expenditure incurred on investment property and investment property under construction including capital advances, net of capital creditors	(13,544)	(7,605)	(4,787)
	Purchase of property, plant and equipment and intangible assets	(328)	(105)	(101)
	Proceeds from sale of property, plant and equipment and investment property	30	24	28
	Purchase of investments	(9)	(3)	(6)
	Movement in fixed deposits with maturity more than three months	138	719	214
	Proceeds from sale of investments	-	-	93
	Loans given to body corporates	(25,124)	(15,469)	(8,522)
	Loans repayment received from body corporates	24,361	15,598	8,479
	Interest received	925	981	335
	Net cash (used in) investing activities (B)	**(13,551)**	**(5,860)**	**(4,267)**

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)

Condensed Combined Financial Statements
Condensed Combined Statement of Cash Flow
(All amounts are in Rs. millions unless otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
C	**Cash flows from financing activities**			
	Proceeds from external borrowings	43,090	24,064	15,246
	Repayment of external borrowings	(31,436)	(21,590)	(13,835)
	Proceeds from borrowings taken from body corporates	-	-	229
	Repayment of borrowings taken from body corporates	-	(34)	(513)
	Payment of lease liabilities	(17)	-	-
	Repayment of buyers credit	-	(310)	(273)
	Proceeds from issue of preferential shares	-	-	46
	Dividend paid (including tax)	(597)	(257)	(596)
	Finance costs paid	(6,297)	(5,434)	(5,182)
	Net cash generated from / (used in) financing activities (C)	**4,743**	**(3,561)**	**(4,878)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**458**	**(83)**	**(1,555)**
	Cash and cash equivalents at the beginning of the year	**(1,119)**	**(1,035)**	**520**
	Cash and cash equivalents at the end of the year	**(661)**	**(1,119)**	**(1,035)**
	Cash and cash equivalents comprises (refer note no. 17A & 29)			
	Cash on hand	3	4	3
	Balance with banks			
	- on current accounts	465	232	191
	Deposit accounts with less than or equal to three months maturity	1,741	39	9
	Cheques on hand	-	-	4
	Less : Bank overdraft	(2,870)	(1,394)	(1,242)
	Cash and cash equivalents at the end of the year	**(661)**	**(1,119)**	**(1,035)**

Significant accounting policies - refer note 3

See the accompanying notes to the Condensed Combined Financial Statements - refer note 4-56

As per our report of even date attached:

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number: 117366W/W-100018

Nilesh Shah
Partner
Membership number: 49660

Place: Mumbai
Date: 20 June 2020

for and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
(as Manager of the Mindspace Business Parks REIT)

Ravi C. Raheja	Neel C. Raheja	Vinod N. Rohira	Preeti N. Chheda
Member	*Member*	*Chief Executive Officer*	*Chief Financial Officer*
DIN: 00028044	DIN: 00029010	DIN: 00460667	DIN: 08066703
Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 20 June 2020			

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Condensed Combined Statement of Changes In Equity
(All amounts are in Rs. millions unless otherwise stated)

A.	Capital	Amount	
		Equity	Instrument entirely equity in nature
	Balance as at 1 April 2017	**500**	**824**
	Add: Issued during the year	0	-
	Balance as at 31 March 2018	**500**	**824**
	Add: Issued during the year	-	-
	Balance as at 31 March 2019	**500**	**824**
	Add: Issued during the year	-	-
	Balance as at 31 March 2020	**500**	**824**

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Condensed Combined Statement of Changes In Equity
(All amounts are in Rs. millions unless otherwise stated)

B. Other equity

Particulars	Attributable to owners of Mindspace Business Parks Group							Attributable to non-controlling interest	Total
	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Other comprehensive income	Deemed Capital Contribution	Contingency reserve		
Balance as at 1 April 2017	**309**	**7,810**	**133**	**1,796**	**-**	**198**	**5**	**938**	**11,189**
Profit for the year	-	-	-	1,483	-	-	-	127	1,610
Total comprehensive income	**-**	**-**	**-**	**1,483**	**-**	**-**	**-**	**127**	**1,610**
Transactions recorded directly in equity									
Contribution to contingency reserve	-	-	-	(3)	-	-	3	-	0
Dividend paid (including tax on dividend)	-	-	-	(530)	-	-	-	(66)	(596)
Transfer to debenture redemption reserve	-	-	126	(124)	-	-	-	(2)	(0)
Deemed capital contribution on issue of preference shares	-	-	-	-	-	46	-	-	46
Debenture redemption reserve transferred to general reserve	17	-	(19)	-	-	-	-	2	-
Total contribution	**17**	**-**	**107**	**(657)**	**-**	**46**	**3**	**(66)**	**(550)**
Balance at the end of the reporting year 31 March 2018	**326**	**7,810**	**240**	**2,622**	**-**	**244**	**8**	**999**	**12,249**

	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Other comprehensive income	Deemed Capital Contribution	Contingency reserve	Attributable to non-controlling interest	Total
Balance as at 1 April 2018	**326**	**7,810**	**240**	**2,622**	**-**	**244**	**8**	**999**	**12,249**
Profit for the year	-	-	-	4,789	-	-	-	365	5,154
Remeasurements of defined benefit liability/ (asset)					**0**			(0)	-
Total comprehensive income	**-**	**-**	**-**	**4,789**	**0**	**-**	**-**	**365**	5,154
Transactions recorded directly in equity									
Debenture redemption reserve transferred to general reserve	240	-	(240)	-	-	-	-	-	-
Dividend paid (including tax on dividend)	-	-	-	(229)	-	-	-	(28)	(257)
Contribution to contingency reserve	-	-	-	(2)	-	-	2		-
Transfer of Other comprehensive income	**-**	**-**	**-**	**0**	**(0)**	**-**	**-**	**-**	-
Total contribution	**240**	**-**	**(240)**	**(231)**	**(0)**	**-**	**2**	**(28)**	**(257)**
Balance at the end of the reporting year 31 March 2019	**566**	**7,810**	**-**	**7,180**	**-**	**244**	**10**	**1,336**	**17,146**

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Condensed Combined Statement of Changes In Equity
(All amounts are in Rs. millions unless otherwise stated)

Particulars	Attributable to owners of Mindspace Business Parks Group							Attributable to non-controlling interest	Total
	General Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Other comprehensive income	Deemed Capital Contribution	Contingency reserve		
Balance as at 1 April 2019	**566**	**7,810**	**-**	**7,180**	**-**	**244**	**10**	**1,336**	**17,146**
Profit for the year	-	-	-	4,747	-	-	-	392	**5,139**
Remeasurements of defined benefit liability/ (asset)	-	-	-	-	**1**	-	-	**0**	**1**
Less : Extinguishment of equity component of redeemable preference shares due to substantial modification in the terms	-	-	-	-	-	**(96)**	-	-	**(96)**
Total comprehensive income	**-**	**-**	**-**	**4,747**	**1**	**(96)**	**-**	**392**	**5,043**
Transfer of Other comprehensive income	-	-	-	(1)	1	-	-	-	-
Transfer to contingency reserve				**(3)**			**3**		-
Security premium utilized to set off the accumulated losses	-	**(2,363)**	-	**2,363**	-	-	-	-	-
Dividend paid (including tax on dividend)	-	-	-	**(531)**	-	-	-	**(66)**	**(597)**
Balance at the end of the reporting year ended 31 March 2020	**566**	**5,447**	**-**	**13,755**	**1**	**148**	**13**	**1,663**	**21,592**

Dividends

Since, no unit has been issued till date by the REIT, hence there is no dividend paid or any other distribution to unitholders.

Significant accounting policies - refer note 3

See the accompanying notes to the Condensed Combined Financial Statements - refer note 4-56

As per our report of even date attached:

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number: 117366W/W-100018

for and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
(as Manager of the Mindspace Business Parks REIT)

Nilesh Shah
Partner
Membership number: 49660

Place: Mumbai
Date: 20 June 2020

Ravi C. Raheja
Member
DIN: 00028044
Place: Mumbai
Date:

Neel C. Raheja
Member
DIN: 00029010
Place: Mumbai

Vinod N. Rohira
Chief Executive Officer
DIN: 00460667
Place: Mumbai

Preeti N. Chheda
Chief Financial Officer
DIN: 08066703
Place: Mumbai

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Statement of Total Return at Fair Value
(All amounts are in Rs. millions unless otherwise stated)

Total Return		
S.No	**Particulars**	**For the year ended 31 March 2020**
A	Total comprehensive Income	5,140
B	Add : Changes in fair value not recognised (refer Note below)	17,173
C (A+B)	**Total Return**	**22,313**

Total Return - Attributable to owners of Mindspace Business Parks Group		
S.No	**Particulars**	**For the year ended 31 March 2020**
A	Total comprehensive Income	4,747
B	Add : Changes in fair value not recognised (refer Note below)	15,799
C (A+B)	**Total Return**	**20,546**

Note:

1 **Measurement of fair values:**
The fair values of Investment Property, Property, Plant and Equipment, Investment property under construction and Capital work-in-progress are solely based on an independent valuation performed by an external property valuer ("independent valuer"), having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The summary valuation report of the independent valuer dated 10 June 2020 is included in the offering document in Section 'Summary Valuation Report'.

2 In the above statement, changes in fair value not recognised for the year ended 31 March 2020 have been computed based on the change in fair values adjusted for change in book value of Investment Property, Investment property under construction and Property, Plant and Equipment and Capital work in progress as at 31 March 2020.

Significant accounting policies - refer note 3.20

As per our report of even date attached:

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number: 117366W/W-100018

Nilesh Shah
Partner
Membership number: 49660

Place: Mumbai
Date: 20 June 2020

for and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
(as Manager of the Mindspace Business Parks REIT)

Ravi C. Raheja	Neel C. Raheja	Vinod N. Rohira	Preeti N. Chheda
Member	*Member*	*Chief Executive Officer*	*Chief Financial Officer*
DIN: 00028044	DIN: 00029010	DIN: 00460667	DIN: 08066703
Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date:			

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Statement of Net Assets at Fair Value
(All amounts are in Rs. millions unless otherwise stated)

Statement of Net Assets At Fair Value (Total)

S.No	Particulars	As at 31 March 2020 Book Value*	As at 31 March 2020 Fair value
A	Assets	112,224	276,288
B	Liabilities *	89,309	89,309
C	**Net Assets (A-B)**	**22,915**	**186,979**

Statement of Net Assets At Fair Value (Total attributable to owners of Mindspace Business Parks Group)

S.No	Particulars	As at 31 March 2020 Book Value*	As at 31 March 2020 Fair value
A	Assets	107,625	264,219
B	Liabilities *	86,373	86,373
C	**Net Assets (A-B)**	**21,252**	**177,845**
D	No. of units	Refer Note 3	
E	NAV (C/D)		

** as reflected in the Balance Sheet*

Notes

1 **Measurement of fair values:**

The fair values of Investment Property, Property, Plant and Equipment, Investment property under construction and Capital work-in-progress are solely based on an independent valuation performed by an external property valuer ("independent valuer"), having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The summary valuation report of the independent valuer dated 10 June 2020 is included in the offering document in Section 'Summary Valuation Report'.

2 **Valuation technique**

The fair value measurement for all of the Investment Property, Property, Plant and Equipment, Investment property under construction and Capital work-in-progress has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The valuer has followed a Discounted Cash Flow method, except for valuation of land for future development where the valuer has adopted Market Approach. The Discounted Cash Flow valuation model 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, 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 investor return expectations from such properties.

3 The number of units that Mindspace Business Parks REIT will issue to investors in the proposed Initial Public Offer is not presently ascertainable. Hence the disclosures in respect of Net Asset Value (NAV) per Unit have not been given.

4 Project wise break up of Fair value of Assets as at 31 March 2020 is as follows

Particulars	Fair value of Investment Property, Property, Plant and Equipment, Investment property under construction and Capital work-in-progress	Other assets at book value	Total assets*
Intime	17,417	2,565	**19,982**
KRIT	26,933	616	**27,549**
Sundew	54,061	8,130	**62,191**
MBPPL			
MBPPL - Airoli East	43,107	2,988	**76,274**
MBPPL - Pocharam	2,984		
MBPPL - Commerzone	19,100		
MBPPL - The Square, Nagar Road	8,094		
Gigaplex	35,205	17,988	**53,193**
Avacado	13,710	209	**13,919**
KRC Infra	15,486	773	**16,260**
Horizonview	5,946	975	**6,921**
Total	**242,044**	**34,244**	**276,288**
Less: Non-controlling interest	**(10,825)**	**(1,244)**	**(12,069)**
Total attributable to owners	**231,219**	**33,000**	**264,219**

** Fair values of assets as disclosed above are the fair values of the total assets of all SPVs as included in the Condensed Combined Financial Statements.*

3. Fair value of facility management operations under the brand CAMPLUS in KRC Infra to be commenced effective from the 1st day of the quarter following the listing as shown in Note 44 has not been included in the above statement as this has not been effected at 31 March 2020.

4. Other assets at book value excludes capital advances, unbilled revenue and finance lease receivable (which will form part of fair valuation of the Investment Property, Property, Plant and Equipment, Investment property under construction and Capital work-in-progress).

5. Gigaplex has made an application for denotification of a part of the SEZ into Non-SEZ. Therefore, the fair valuation has been computed by valuers considering that part as Non-SEZ unit.

6. Power Deemed Distribution License operations in Gigaplex, MBPPL and KRC Infra have been valued by the valuer separately using Discounted Cash Flow method and have been considered as part of the respective projects in the table above.

Significant accounting policies - refer note 3.19

As per our report of even date attached:

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration number: 117366W/W-100018

for and on behalf of the Governing Board of
K Raheja Corp Investment Managers LLP
(as Manager of the Mindspace Business Parks REIT)

Nilesh Shah
Partner
Membership number: 49660

Place: Mumbai
Date:

Ravi C. Raheja	Neel C. Raheja	Vinod N. Rohira	Preeti N. Chheda
Member	*Member*	*Chief Executive Officer*	*Chief Financial Officer*
DIN: 00028044	DIN: 00029010	DIN: 00460667	DIN: 08066703
Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date:			

(All amounts are in Rs. millions unless otherwise stated)

1 Organisation structure

The special purpose condensed combined financial statements (‘Condensed Combined Financial Statements’) comprise financial statements of Mindspace Business Parks Real Estate Investment Trust ('Mindspace Business Parks REIT/ Mindspace REIT) and financial statements of Mindspace Business Parks Private Limited ('MBPPL'), Gigaplex Estate Private Limited ('Gigaplex'), Sundew Properties Limited ('Sundew') Intime Properties Limited ('Intime'), K. Raheja IT Park (Hyderabad) Limited ('KRIT'), KRC Infrastructure and Projects Private Limited ('KRC Infra'), Horizonview Properties Private Limited ('Horizonview'), Avacado Properties and Trading (India) Private Limited ('Avacado') (individually referred to as ‘Special Purpose Vehicle’ or ‘SPV’ and together referred to as ‘Mindspace Business Parks Group’/'Mindspace Group'). The SPVs are companies domiciled in India.

Anbee Constructions LLP (‘ACL’) and Cape Trading LLP (‘CTL’) collectively known as (the ‘Sponsors’ or the ‘Co-Sponsors’) have set up the 'Mindspace Business Parks REIT' as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 18th November 2019 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Mindspace REIT is Axis Trustee Services Limited (the ‘Trustee’) and the Manager for Mindspace REIT is KRC Investment Manager LLP (the ‘Manager’).

The brief activities and shareholding pattern of the SPVs are provided below:

Name of the SPV	**Activities**	**Current shareholding (in percentage) above 5% stated in some cases**
MBPPL	The SPV is engaged in real estate development projects such as Special Economic Zone (SEZ), Information Technology Parks, Malls and other commercial segments. The SPV has its projects in Airoli (Navi Mumbai), Pune and Pocharam, (Hyderabad) for development of commercial parks. The SPV has a licence to operate and maintain a power distribution system for supplying electricity to the customers in the area of supply as specified in SEZ notification and has commenced distribution of electricity in its project at Airoli, Navi Mumbai from 9 April 2015 .	BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. (14.95%) Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja (10.58%) Mrs. Jyoti C. Raheja jointly with Mr. Chandru L. Raheja (8.01%) Capstan Trading LLP (8.01%) Casa Maria Properties LLP (8.01%) Palm Shelter Estate Development LLP (8.01%) K. Raheja Corp Private Limited (6.47%) Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja (7.37%) Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja (7.37%) Anbee Constructions LLP (6.37%) Cape Trading LLP (6.37%) Raghukool Estate Development LLP (5.26%) BREP VIII SBS Pearl Holding (NQ) Ltd (0.02%) BREP ASIA SBS Pearl Holding (NQ) Ltd. (0.03%) Others (3.17%)
Gigaplex	The SPV is engaged in the business of real estate development of an information technology park at Airoli, Navi Mumbai. The SPV has also commenced distribution of electricity in its SEZ project at Airoli from 19 April 2016.	K Raheja Corp Private Limited (53.00%) Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja (32.00%) (Refer note 1 below) BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. (14.95%) Others (0.05%)

(All amounts are in Rs. millions unless otherwise stated)

Sundew	The SPV is engaged in development and leasing/licensing of IT park, SEZ to different customers in Hyderabad. The SPV also has a power distribution license for supplying electricity to the SEZ Units in its SEZ project at Mindspace Cyberabad, Madhapur, Hyderabad.	Genext Hardware & Parks Private Limited (19.20%) BREP ASIA SG Pearl Holding (NQ) Pte. Ltd (14.95%) Andhra Pradesh Industrial Infrastructure Corporation Limited (11.00%) Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja (Refer note 1) (9.97%) Casa Maria Properties LLP (5.85%) Raghukool Estate Development LLP (5.85%) Capstan Trading LLP (5.85%) Palm Shelter Estate Development LLP (5.85%) Anbee Constructions LLP (5.23%) Cape Trading LLP (5.23%) Others (11.02%)
Intime	The SPV is engaged in development and leasing/licensing of IT park, SEZ to different customers in Hyderabad.	Chandru Raheja jointly with Jyoti Raheja (23.98%) (Refer note 1 below) BREP Asia SG Pearl Holding (NQ) Pte Ltd. (14.95%) Andhra Pradesh Industrial Infrastructure Corporation Limited (11.00%) Casa Maria Properties LLP (6.12%) Raghukool Estate Development LLP (6.12%) Capstan Trading LLP (6.12%) Palm Shelter Estate Development LLP (6.12%) Anbee Constructions LLP (5.47%) Cape Trading LLP (5.47%) Others (14.65%)
KRIT	The SPV is engaged in development and leasing/licensing of IT park to different customers in Hyderabad. The SPV has a licence to operate and maintain a power distribution system for supplying electricity to the customers.	BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. (14.95%) Andhra Pradesh Industrial Infrastructure Corporation Limited (11.00%) Palm Shelter Estate Development LLP (9.50%) Casa Maria Properties LLP (9.50%) Raghukool Estate Development LLP (9.50%) Capstan Trading LLP (9.50%) Anbee Constructions LLP (8.50%) Cape Trading LLP (8.50%) Ivory Properties And Hotels Private Limited (8.22%) Chandru L Raheja jointly with Jyoti C. Raheja (6.00%) (Refer note 1) Others (4.83%)

(All amounts are in Rs. millions unless otherwise stated)

KRC Infra	The SPV is in the business of Infrastructure development and related activities. The SPV has undertaken the development of an IT park at Kharadi, Pune. The SPV has a licence to operate and maintain a power distribution system for supplying electricity to the customers.in the area of supply as specified in SEZ notification and has commenced distribution of electricity in its project from 1 June 2019 .	K Raheja Private Limited (42.50%) K Raheja Corp Private Limited (42.50%) BREP Asia SG Pearl Holding (NQ) Pte. Ltd (14.95%) BREP VIII SBS Pearl Holding (NQ) Ltd (0.02%) BREP ASIA SBS Pearl Holding (NQ) Ltd. (0.03%)
Horizionview	The SPV is engaged in real estate development projects of integrated townships with high quality commercial segments such as Information Technology Parks and other commercial segments. The SPV has land at Porur, Chennai, Tamil Nadu.	Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja (42.50%) Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja (42.50%) BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. (14.95%) Others (0.05%)
Avacado	The SPV has developed an Industrial park for the purpose of letting out to different customers in Paradigm building at Malad-Mumbai and is being maintained and operated by the SPV.	Anbee Constructions LLP (13.18%) Cape Trading LLP (13.18%) Capstan Trading LLP (14.53%) Raghukool Estate Development LLP (14.53%) Casa Maria Properties LLP (14.53%) Palm Shelter Estate Development LLP (14.53%) BREP Asia SG Pearl Holding (NQ) Pte. Ltd (14.95%) Others (0.57%)
MBPPL REIT	The trust is primarily engaged in the business of Real estate business	Anbee Constructions LLP (50%) Cape Trading LLP (50%)

Notes:

(1) The shares are held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust, as per the declaration in Form No. MGT-4 received from Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja, declaration in Form No. MGT-5 received from the beneficiaries of Ivory Property Trust and e-form MGT-6 in this respect filed by the SPV with the Registrar of Companies.

All the above SPVs have been combined as a part of the Mindspace Business Parks Group's the Condensed Combined Financial Statements on a line by line basis and the proposed shareholding by Mindspace REIT prior to the proposed listing of units by Mindspace REIT is 100% in each of the SPVs except for Sundew, Intime and KRIT (refer note no.3.24).

2 Basis of preparation

The Condensed Combined Financial Statements of the Mindspace Business Parks Group comprise the Condensed Combined Balance Sheets, the Condensed Combined Statement of Changes in Equity as at 31 March 2020, 31 March 2019 and 31 March 2018; the Condensed Combined Statement of Profit and Loss (including other comprehensive income), the Condensed Combined Statement of Cash Flow for the years ended 31 March 2020 ,31 March 2019 and 31 March 2018 and a summary of significant accounting policies and selected explanatory information, the Statement of Total Returns at Fair Value for the year ended 31 March 2020, the Statement of Net Assets at Fair Value as at 31 March 2020 and other additional financial disclosures. The Condensed Combined Financial Statements were authorised for issue in accordance with the resolution passed by the Governing Board of the Investment Manager on 20 June,2020. The Condensed Combined Financial Statements have been prepared in accordance with the Guidance note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Notes") using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ('Ind AS'), as specified under the SEBI (Real Estate Investment Trusts) Regulations, 2014 ("REIT Regulations"), as amended from time to time and the SEBI circular number CIR/IMD/DF/141/2016 dated 26 December 2016 ("SEBI Circular"), except for the accounting of scheme of the merger of undertaking of Trion Properties Private Limited and K Raheja Corp Private Limited as mentioned below which has been accounted based on the order dated 7th September 2017 of the National Company Law Tribunal (NCLT).

The Condensed Combined Financial Statements are special purpose financial statements and have been prepared by the Manager to meet the requirements of the REIT Regulations and for inclusion in the Offer Document ("OD") prepared by the Manager in connection with the Initial offering of units of Mindspace REIT. As a result, the Condensed Combined Financial Statements may not be suitable for any other purpose.

In accordance with the requirements of the REIT Regulations, since Mindspace REIT is newly set up on 18 November 2019 and has been in existence for a period lesser than three completed financial years as required by the REIT Regulations, the Condensed Combined Financial Statements are prepared based on an assumption that all the assets and SPVs were part of Mindspace REIT for such period when Mindspace REIT was not in existence. However, the Special Purpose Condensed Combined Financial Statements may not be representative of the position which may prevail after the SPVs are transferred to Mindspace REIT.

These Condensed Combined Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

The Condensed Combined Financial Statements have been prepared on a going concern basis.

Pursuant to an NCLT order dated September 7, 2017, the Pune undertaking of Trion Properties Private Limited, was merged with Mindspace Business Parks Private Limited ("MBPPL") with effect from April 1, 2016. Since the NCLT order was received post the issuance of FY 2017 audit report for Trion Properties Private Limited, the merger in the books of account of MBPPL was effected in FY 2018 by compiling the financial information of the Pune Undertaking from the audited financial statements of Trion Properties Private Limited prepared as per Indian GAAP as at and for the year ended March 31, 2017.

Basis of Combination

The Condensed Combined Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs used for the purpose of combination are drawn up to the same reporting date i.e. the years ended on 31 March 2020, 31 March 2019 and 31 March 2018.

The procedures adopted for preparing Condensed Combined Financial Statements of the Mindspace Business Parks Group are stated below:

a) The Condensed Combined Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements and Guidance Note on Combined and Carve-Out Financial Statements, to the extent applicable.

b) The financial statements of all the SPVs have been combined by combining/adding like items of assets, liabilities, equity, income, expenses.

c) The financial statements of all the SPVs have been combined based on the assumption that all the SPVs are part of a single group for the entire period presented pursuant to the SEBI circular.

d) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Mindspace Business Parks Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory, investment property, investment property under construction and property plant and equipment) are eliminated;

e) A scheme sanctioned by the National Company Law Tribunal (NCLT), Mumbai dated 7 September 2017 (effective 1 November 2017) accorded approval to the merger of undertaking of Trion Properties Private Limited and K Raheja Corp Private Limited - Commerzone undertaking of K Raheja Corp Private Limited with MBPPL, with an appointed date of 1 April 2016. The accounting treatment of the net assets is at book value instead of the fair value and the acquisition date is considered as the appointed date i.e. 1 April 2016, instead of the effective date i.e. 1 November 2017, based on the order of NCLT and is not in accordance with Ind-AS - 103 - Business Combinations.

f) The tax expenses are combined for all the expenses actually incurred by the combining businesses in accordance with the Guidance Note on Combined and Carve-Out Financial Statements.

g) The figures in the notes to accounts and disclosures have been combined line by line and only transactions and balances between the SPVs have been eliminated.

h) MBPPL has four wholly owned subsidiaries namely Sampada Eastpro Private Ltd, Educator Protech Private Ltd, Dices Realcon Private Ltd and Happy Eastcon Private Ltd ('four subsidiaries'). As on 31 March 2020, the carrying value of these investments in the books of MBPPL is Nil. Moreover, MBPPL has applied to Registrar of Companies (ROC) for 'striking of' the names of these subsidiaries from the Registrar of Companies. Since these subsidiaries are not a part of the Mindspace Business Parks Group's proposed real estate investment trust structure, these subsidiaries have not been combined in these Condensed Combined Financial Statements.

i) Andhra Pradesh Industrial Infrastructure Corporation Limited, which is a shareholder in Intime, KRIT and Sundew have not agreed to exchange their equity interest in the SPVs (Intime, KRIT and Sundew), thus, the Mindspace Business Parks Group has recorded a non-controlling interests for these SPVs.

j) Share capital has been presented by adding the individual capitals of each of the SPVs. For the proportionate share of the Capital attributable to the Non controlling interest, management has disclosed this amount separately from the combined capital.

k) Other equity has been presented by adding the individual other equity's of each of the SPVs. For the proportionate share of the other equity attributable to the Non controlling interest, management has disclosed this amount separately from the combined other equity.

l) The Mindspace Business Parks Group holds 4% of the equity share capital of Stargaze Properties Private Limited, a company involved in the real estate development. The Mindspace Business Parks Group is of the view that it is not able to exercise significant influence over Stargaze Properties Private Limited and hence it has not been accounted using equity method.

3 Significant accounting policies

(a) Functional and presentation currency

The Condensed Combined Financial Statements are presented in Indian rupees, which is the Mindspace Business Parks Group's functional currency and the currency of the primary economic environment in which the Mindspace Business Parks Group operates. All financial information presented in Indian rupees has been rounded off to nearest million except otherwise stated.

(b) Basis of measurement

The Condensed Combined Financial Statements are on the historical cost basis, except for the following:

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values;
- Net defined benefit (asset)/ liability less present value of defined obligations: Fair value of plan assets less present value of defined benefit plan.

(c) Use of judgements and estimates

The preparation of the Condensed Combined Financial Statements in conformity with generally accepted accounting principles in India (Ind AS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimated and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Condensed Combined Financial Statements is included in the following notes:

* Estimation of lease term for revenue recognition
* Estimation of useful life of property, plant and equipment and investment property
* Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used and income taxes.
* Impairment and Fair valuation of Investment Property, Investment property under construction, Property, plant and equipment and Capital work-in-progress
* Interest capitalised to investment property under construction

d) Current versus non-current classification

The Mindspace Business Parks Group presents assets and liabilities in the Condensed Combined Balance Sheet based on current/ non-current classification:

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Mindspace Business Parks Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Mindspace Business Parks Group has identified twelve months as its operating cycle.

(All amounts are in Rs. millions unless otherwise stated)

(e) Measurement of fair values

The Mindspace Business Parks Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Mindspace Business Parks Group has an established control framework with respect to the measurement of fair values.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Mindspace Business Parks Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access on measurement date.
• Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.1 Financial guarantee contracts

The Group on a case to case basis elects to account for financial guarantee contracts as a financial intruments or as an insurance contracts as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period, the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in Ind AS combined statement of profit and loss.

3.2 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged when the assets are ready for their intended use. Purchase price or construction cost is defined as any consideration paid or fair value of any other consideration given to acquire the asset.

(b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Mindspace Business Parks Group. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Mindspace Business Parks Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Condensed Combined Statement of Profit and Loss during the reporting period in which they are incurred.

(c) Depreciation / Amortisation

Depreciation / amortisation is provided using straight line method except as mentioned below in note 4, for the specific SPVs, specific assets and specific period, as per the useful life of the assets estimated by the management. The estimated useful lives of the assets, which are higher than, lower than or equal to those prescribed under Schedule II of the Companies Act 2013, are listed in the table below. Depreciation on addition / deletion of property, plant and equipment made during the year is provided on pro-rata basis from / to the date of such addition / deletion.

The assets and estimated useful life are as under:

Asset group	**Estimated Useful Life (in years)**	
	Power assets	**Other assets**
Right to use - Leasehold land	Balance Lease term	-
Buildings*	75/90	-
Plant and machinery	15	15
Electrical installation*	15	15
Computers	3	3
Temporary Structure*	-	1
Office equipment*	4	4
Furniture and fixtures*	-	7
Vehicles*	-	5

(All amounts are in Rs. millions unless otherwise stated)

* For these class of assets, based on technical assessment the management believes the useful life of the assets is appropriate which is different than those prescribed under Part C of Schedule II of the Companies Act, 2013.

(1) Based on internal assessment the management believes the residual value of all assets is estimated to be 5% of the original cost of those respective assets.

(2) Assets individually costing less than Rs 5,000 are fully written off in the year of acquisition.

(3) The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

(4) a) Building held by MBPPL is depreciated using written down value method of depreciation till 31st March 2019, with effect from 1st April 2019 method is changed to straight line method. All assets of Gigaplex(except Power) and Avacado are depreciated using written down value method of depreciation till 31st March 2019, with effect from 1st April 2019 method is changed to straight line method.

b) The useful life of buildings, plant & machinery, electrical installation was estimated at lower of 60 years or balance lease term, 10 years and 10 years respectively till 31st March 2019.

(d) De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Condensed Combined Statement of Profit and Loss.

(e) Capital work in progress

Property, plant and equipment under construction is disclosed as capital work in progress which is carried at cost less any recognized impairment losses. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Advance paid and expenditure incurred on acquisition / construction of property, plant and equipment which are not ready for their intended use at each balance sheet date are disclosed under other non current assets as advances on capital account and capital work-in-progress respectively.

3.3 Intangible assets

(a) Recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets with finite useful lives that are acquired separately are initially measured at its cost and then carried at the cost less accumulated amortisation and impairment, if any. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment, if any.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Condensed Combined Statement of Profit and Loss as incurred.

(c) Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the Condensed Combined Statement of Profit and Loss on a straight line method over the estimated useful lives of intangible assets, from the date that they are available for use.

Intangible assets in the nature of software is amortised over the period of 3 years (refer note 1) and trademark is amortised over a period of 10 years.

Asset group	Estimated Useful Life (in years)	
	Power assets	Other assets
Computer Softwares	3	3
Trademarks	-	10

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Note 1 - In case of Intime, Sundew & KRIT software is amortised over the period of 4 years.

(All amounts are in Rs. millions unless otherwise stated)

(d) De-recognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal, gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Condensed Combined Statement of Profit and Loss when the asset is derecognised.

3.4 Investment property

(a) Recognition and measurement

Properties including land, building and other assets, which are held either for long-term rental yield or for capital appreciation or for both, and which are not occupied substantially by the Mindspace Business Parks Group are classified as investment property.

Investment properties are initially recognised at cost, including related transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirement of Ind AS 16's requirements for cost model i.e. Cost less depreciation less impairment losses, if any. Depreciation is charged when the investment property is ready for its intended use. Cost comprises of direct expenses like land cost, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, and construction overheads are allocated on a reasonable basis to the cost of the project.

Plant and machinery, furniture and fixtures, office equipment and electrical equipments which are physically attached to the commercial buildings are considered as part of investment property.

Acquisitions and disposals are accounted for at the date of completion of acquisitions and disposals.

(b) Subsequent expenditure

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Mindspace Business Parks Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

(c) Depreciation / Amortisation

Depreciation / amortisation is provided using straight line method except as mentioned below in note 1, for the specific SPVs, specific assets and specific period, as per the useful life of the assets estimated by the management. The estimated useful lives of the assets, which are higher than, lower than or equal to those prescribed under Schedule II of the Companies Act 2013 and listed in the table below. Depreciation on addition / deletion of investment property made during the year is provided on pro-rata basis from / to the date of such addition / deletion.

Asset group	**Estimated Useful Life (in years)**
Right to use - Leasehold land	Balance Lease term
Buildings*	75/90
Infrastructure and development	15
Roadwork*	15
Plant and machinery	15
Office equipment*	4
Furniture and fixtures*	7
Electrical installation*	15

* For these class of assets, based on technical assessment the management believes the useful life of the assets is appropriate which is different than those prescribed under Part C of Schedule II of the Companies Act, 2013.

Based on internal assessment the management believes the residual value of all assets is estimated to be 5% of the original cost of those respective assets.

Assets individually costing less than Rs 5,000 are fully written off in the year of acquisition.

The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

Note 1 : a) MBPPL and KRC Infra Buildings are depreciated using written down value method of depreciation till 31st March 2019, with effect from 1st April 2019 method is changed to straight line method. Building and Infrastructure and development held by Intime is depreciated using written down value method of depreciation till 31st March 2019, with effect from 1st April 2019 method is changed to straight line method. All assets of Avacado is depreciated using written down value method of depreciation till 31st March 2019, with effect from 1st April 2019 method is changed to straight line method.
b) The useful life of buildings, plant & machinery, electrical installation, infrastructure and development, roadwork was estimated at lower of 60 years or balance lease term, 10 years, 10 years, 10 years and 5 years respectively till 31st March 2019.

(d) Fair Value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Statement of Net assets at Fair Value.

(e) De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Condensed Combined Statement of Profit and Loss in the period in which the property is de-recognised.

(f) Investment properties under construction

Property that is being constructed for future use as investment property is accounted for as investment property under construction until assets are ready for their intended use .

Direct expenses like land cost, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, and construction overheads are taken as the cost of the project.

Investment properties under construction represent the cost incurred in respect of areas under construction of the real estate development projects less impairment losses, if any.

Advance paid for acquisition of investment property which are not ready for their intended use at each balance sheet date are disclosed under other non current assets as capital advance.

3.5 Impairment of assets

The Mindspace Business Parks Group assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Mindspace Business Parks Group estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognised in the Condensed Combined Statement of Profit and Loss or against revaluation surplus, where applicable.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Condensed Combined Statement of Profit and Loss.

3.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the general borrowings.
Capitalisation of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.
All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost incurred by the SPVs on inter-company loans is continued to be capitalised only to the extent the Mindspace Group has incurred external borrowing cost.

3.7 Inventories

(a) Measurement of inventory

Inventories comprise of building material and components. Contractual work in progress, in respect of third party customers, is classified as work in progress. The Mindspace Business Parks Group measures its inventories at the lower of cost and net realisable value.

(b) Cost of inventories

The cost of inventories of building material and components and work in progress comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

(c) Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.8 Revenue recognition

(a) Facility rentals

Revenue from property leased out under an operating lease is recognised over the lease term on a straight line basis, except where there is an uncertainty of ultimate collection.

(b) Revenue from works contractual services

Revenue from works contractual service is accounted for on the basis of completion of work as per the specification and agreement with the customer.

(c) Maintenance services

Maintenance income is recognised over a period of time for services rendered to the customers.

(d) Revenue from power supply

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the accounting year. The Mindspace Business Parks Group determines surplus/deficit i.e. excess/ shortfall of aggregate gain over return on equity entitlement for the period in respect of its operations based on the principles laid down under the respective Tariff Regulations as notified by Maharashtra Electricity Regulatory Commission (MERC), on the basis of the tariff order issued by it.In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the period. Further, any adjustments that may arise on annual performance review by the MERC under the tariff regulations is made after the completion of such review.

(e) Finance Lease

For assets let out under finance lease, the Mindspace Business Parks Group recognises a receivable at an amount equal to the net investment in the lease. Rentals received are accounted for as repayment of principal and finance income. Minimum lease payments receivable on finance leases are apportioned between the finance income and the reduction of the outstanding receivable. The finance income allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining net investment in the finance lease.

Contingent rents are recorded as income in the periods in which they are earned.

(f) Sale of surplus construction material and scrap

Revenue from sale of surplus construction material is recognised on transfer of risk and rewards of ownership which is generally on dispatch of material.

3.9 Interest income :

(i) Interest income is recognised on time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

(ii) Delayed payment charges and interest on delayed payments are recognised, on time proportion basis, except when there is uncertainty of ultimate collection.

3.10 Tax expense

Income tax expense comprises current tax and deferred tax charge or credit. It is recognised in the Condensed Combined Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income in which case, the current and deferred tax are also recognised directly in equity or other comprehensive income respectively.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by end of reporting period.

(b) Deferred tax

Deferred tax asset/liability is recognised on temporary differences between the carrying amounts of assets and liabilities in the Condensed Combined Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Mindspace Business Parks Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

In the situations where one or more units of the Group are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

(c) Minimum Alternate Tax (MAT)

MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Condensed Combined Statement of Profit and Loss and shown as MAT credit entitlement under deferred tax assets. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

3.11 Earnings per unit (EPU):

The basic earnings per unit is computed by dividing the net profit/ (loss) attributable to the unit holders of the Mindspace REIT by the weighted average number of units outstanding during the reporting period. The number of units used in computing diluted earnings/ (loss) per unit comprises the weighted average units considered for deriving basic earnings/ (loss) per unit and also the weighted average number of units which could have been issued on the conversion of all dilutive potential units.

Dilutive potential units are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per unit, only potential equity units that are dilutive and which either reduces earnings per unit or increase loss per units are included.

3.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Mindspace Business Parks Group has a present legal or constructive obligation as a result of a past event, it is probable that the Mindspace Business Parks Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is disclosed when there would be a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Mindspace Business Parks Group.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

3.13 Foreign currency transactions and translations

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Condensed Combined Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the year-end and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the Condensed Combined Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

3.14 Leases

As a Lessor

The Mindspace Business Parks Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Mindspace Business Parks Group is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Mindspace Business Parks Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Mindspace Business Parks Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Mindspace Business Parks Group's net investment outstanding in respect of the leases.

As a Lessee

The Mindspace Business Parks Group assesses whether a contract is or contains a lease, at inception of a contract. The Mindspace Business Parks Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Mindspace Business Parks Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Mindspace Business Parks Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

• fixed lease payments (including in-substance fixed payments), less any lease incentives;
• variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• the amount expected to be payable by the lessee under residual value guarantees;
• payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the condensed combined balance sheet as Lease Liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Mindspace Business Parks Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
• a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs . They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Mindspace Business Parks Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Mindspace Business Parks Group applies Ind AS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.4.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “ other expenses” in the Condensed Combined Statement of Profit and Loss.

3.15 Financial instruments

1 Initial recognition and measurement

Financial assets and/or financial liabilities are recognised when the Mindspace Business Parks Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Condensed Combined Statement of Profit and Loss.

2 Financial assets:

(a) Classification of financial assets:

(i) The Mindspace Business Parks Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Condensed Combined Statement of Profit and Loss), and

- those measured at amortised cost.

(ii) The classification is done depending upon the Mindspace Business Parks Group's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) For investments in debt instruments, this will depend on the business model in which the investment is held.

(iv) The Mindspace Business Parks Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Subsequent Measurement

(i) Debt instruments:

Subsequent measurement of debt instruments depends on the Mindspace Business Parks Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Mindspace Business Parks Group classifies its debt instruments:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through the Condensed Combined Statement of Profit and Loss (FVTPL)

Financial assets are subsequently measured at fair value through the Condensed Combined Statement of Profit and Loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Condensed Combined Statement of Profit and Loss.

(ii) **Equity instruments:**

The Mindspace Business Parks Group subsequently measures all equity investments at fair value. There are two measurement categories into which the Mindspace Business Parks Group classifies its equity instruments:

Investments in equity instruments at FVTPL:

Investments in equity instruments are classified as at FVTPL, unless the Mindspace Business Parks Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Mindspace Business Parks Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Condensed Combined Statement of Profit and Loss on disposal of the investments, but is transferred to retained earnings.

(c) Impairment of financial assets:

The Mindspace Business Parks Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset. For trade receivables, the Mindspace Business Parks Group measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Mindspace Business Parks Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

(d) Derecognition of financial assets:

A financial asset is primarily derecognised when:

(i) the right to receive cash flows from the asset has expired, or

(ii) the Mindspace Business Parks Group has transferred its rights to receive cash flows from the asset; and

the Mindspace Business Parks Group has transferred substantially all the risks and rewards of the asset, or

the Mindspace Business Parks Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety (other than investments in equity instruments at FVOCI), the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in Condensed Combined Statement of Profit and Loss. Any interest in transferred financial assets that is created or retained by the SPV is recognised as a separate asset or liability.

3 Financial liabilities and equity instruments

(a) Classification as debt or equity

Financial liabilities and equity instruments issued by the Mindspace Business Parks Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Mindspace Business Parks Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Mindspace Business Parks Group's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Condensed Combined Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Mindspace Business Parks Group's own equity instruments.

(c) Compound financial instruments

The component parts of compound financial instruments issued by the Mindspace Business Parks Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Mindspace Business Parks Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument’s maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

(d) Financial Liabilities

- **Recognition, measurement and classification**

Financial liabilities are classified as either held at a) fair value through the Condensed Combined Statement of Profit and Loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification.

The Mindspace Business Parks Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through the Condensed Combined Statement of Profit and Loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Condensed Combined Statement of Profit and Loss . Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

- **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in the Condensed Combined Statement of Profit and Loss when the liabilities are derecognized.

4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.16 Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, demand deposits, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.17 Statement of Cash flow

Cash flow is reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Mindspace Business Parks Group are segregated.

For the purpose of the Condensed Combined Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Mindspace Business Parks Group's cash management.

As per para 8 of Ind AS 7 "where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. Bank overdraft, in the Condensed Combined Balance Sheet, is included as 'borrowings' under Financial Liabilities.

3.18 Employee benefits plan

Disclosure pursuant to Ind AS – 19 'Employee benefits'

(1) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits such as salaries, wages, etc. and are recognised in the year in which the employee rendered the related services. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the year.

(2) Long term employee benefits

Defined contribution plans

Contributions to defined contribution schemes such as provident fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Mindspace Business Parks Group's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense. The above benefits are classified as defined contribution schemes as the Mindspace Business Parks Group has no further defined obligations beyond the monthly contributions.

Defined benefit plan

The Mindspace Business Parks Group's gratuity benefit scheme is a defined benefit plan. The Mindspace Business Parks Group has determined the gratuity liability based on internal calculation based on the number of years completed and last drawn basic salary as mentioned in the Payment of Gratuity Act, 1972. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries / SPVs using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Condensed Combined Statement of Profit and Loss.

Other long term employee benefits - Compensated absences

Benefits under compensated absences are accounted as other long-term employee benefits. The Mindspace Business Parks Group has determined the liability for compensated absences based on internal calculation which is determined on the basis of leave credited to employee's account and the last drawn salary. The Mindspace Business Parks Group's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation / by SPVs using the projected unit credit method. Remeasurement is recognised in the Condensed Combined Statement of Profit and Loss in the period in which they arise. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability.

3.19 Statement of net assets at fair value

The disclosure of Statement of Net Assets at Fair Value comprises of the fair values of the total assets and fair values of the total liabilities of individual SPVs. The fair value of the assets are reviewed regularly by Management with reference to independent assets and market conditions existing at the reporting date, using generally accepted market practices. The independent valuers are leading independent appraisers with a recognised and relevant professional qualification and with recent experience in the location. Judgment is also applied in determining the extent and frequency of independent appraisals. Such independent appraisals and the assumptions used are reviewed at each balance sheet date.

3.20 Statement of total returns at fair value

The disclosure of total returns at fair value comprises of the total Comprehensive Income as per the Condensed Combined Statement of Profit and Loss and Other Changes in Fair Value of investment property, investment property under construction, property, plant and equipment and capital work in progress where the cost model is followed which were not recognised in total Comprehensive Income.

3.21 Earnings before finance costs, depreciation and amortisation, regulatory income / expense and tax

The Mindspace Business Parks Group has elected to present earnings before interest, depreciation and amortisation, regulatory income / expense and tax as a separate line item on the face of the Condensed Combined Statement of Profit and Loss. The Mindspace Business Parks Group measures earnings before interest, depreciation and amortisation, regulatory income / expense and tax on the basis of profit/(loss) from continuing operations.

3.22 Subsequent events

The Condensed Combined Financial Statements are adjusted to reflect events that occur after the reporting date but before the Condensed Combined Financial Statements are issued. The Condensed Combined Financial Statements have their own date of authorisation, which differs from that of the financial statements of the combining entities. Therefore, when preparing the Condensed Combined Financial Statements, management considers events up to the date of authorisation of these financial statements (i.e. including those that occurred after the authorisation date of the financial statements of combining entities).

3.23 Errors and estimates

The Mindspace Business Parks Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the Condensed Combined financial statement. Changes in accounting policies are applied retrospectively.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change.

Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

3.24 Segment Information

Primary segment information

The primary reportable segment is business segments.

Business segment

The Mindspace Business Parks Group is organised into the three operating divisions - 'real estate development', ‘power distribution', and 'treasury', which are determined based on the internal organisation and management structure of the Mindspace Business Parks Group and its system of internal financial reporting and the nature of its risks and its returns. The Governing Board of the manager has been identified as the chief operating decision maker (CODM). CODM evaluates the Mindspace Business Parks Group's performance, allocates resources based on analysis of various performance indicators of the Mindspace Business Parks Group as disclosed below.

Real estate development

Real estate development comprises development of project/property under special economic zone (SEZ), information technology parks (IT parks) and other commercial project/building. After development of the project/property, the same is leased out to the different customers. The Mindspace Business Parks Group has its project/property in Mumbai, Hyderabad, Pune and Chennai. The Mindspace Business Parks Group executes works contracts for construction of buildings based on customers specification and requirements.

Power distribution

The state power regulator has taken on record the SEZ developer MBPPL, Gigaplex, Sundew and KRC Infra as Deemed Distribution Licensee for Power. The approved SPV being Deemed Distributor, supplies power to customers within the notified SEZ.

Investment (Treasury)

Investment (treasury) comprises of the activities of intercorporate loans given by the Mindspace Business Parks Group and earning income on such loans.

Secondary segment information

The Mindspace Business Parks Group's operations are based in India and therefore the Mindspace Business Parks Group has only one geographical segment - India.

3.25 Non-controlling interests

Non-controlling interests represent the share of reserves and capital attributable to the shareholders of the SPVs who have not agreed to exchange their shares in the SPVs for Units of Mindspace REIT and will not become the unitholders of Mindspace REIT. Below is the list of shareholders of the SPVs for whom non-controlling interest has been recognised.Non-controlling interests in the results and equity of subsidiaries are shown separately in the Condensed Combined Statement of Profit and Loss, combined Statement of Changes in Equity and Balance Sheet respectively.

SPV	Shareholder	% Holding in SPV (As on reporting date)
KRIT	Andhra Pradesh Industrial Infrastructure Corporation Limited	11.0%
Intime	Andhra Pradesh Industrial Infrastructure Corporation Limited	11.0%
Sundew	Andhra Pradesh Industrial Infrastructure Corporation Limited	11.0%

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of Mindspace REIT and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

3.26 Business combination

The Mindspace Business Parks Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the Condensed Combined Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries. Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

(All amounts are in Rs. millions unless otherwise stated)

4 Property, plant and equipment

	Power assets				Other assets							
Particulars	**Right of use - Leasehold Land**	**Buildings**	**Plant and machinery**	**Electrical Installation**	**Temporary Structure**	**Plant and machinery**	**Electrical Installation**	**Office equipment**	**Computers**	**Furniture and fixtures**	**Right of use - Plant and Machinery**	**Total**
Gross block (cost or deemed cost)												
At 1 April 2017	**2**	**419**	**996**	**-**	**2**	**60**	**1**	**7**	**8**	**11**	**-**	**1,506**
Additions	-	81	3	-	-	13	1	1	1	-	-	100
Disposals	-	-	-	-	-	(6)	-	(2)	(1)	(2)	-	(11)
At 31 March 2018	**2**	**500**	**999**	**-**	**2**	**67**	**2**	**6**	**8**	**9**	**-**	**1,595**
At 1 April 2018	**2**	**500**	**999**	**-**	**2**	**67**	**2**	**6**	**8**	**9**	**-**	**1,595**
Additions	-	14	81	-	-	5	-	2	1	2	-	105
Transfers	-	-	-	-	-	(7)	-	-	-	7	-	-
Disposals	-	-	-	-	-	(10)	-	-	-	-	-	(10)
At 31 March 2019	**2**	**514**	**1,080**	**-**	**2**	**55**	**2**	**8**	**9**	**18**	**-**	**1,690**
At 1 April 2019	**2**	**514**	**1,080**	**-**	**2**	**55**	**2**	**8**	**9**	**18**	**-**	**1,690**
Additions	-	-	91	158	1	2	-	0	1	1	73	**327**
Disposals	-	-	-	-	(2)	(17)	-	-	-	(0)	-	**(19)**
At 31 March 2020	**2**	**514**	**1,171**	**158**	**1**	**40**	**2**	**8**	**10**	**19**	**73**	**1,998**
Accumulated depreciation												
At 1 April 2017	**-**	**13**	**142**	**-**	**-**	**21**	**-**	**4**	**6**	**4**	**-**	**190**
Charge for the year	-	11	122	-	2	13	-	1	2	1	-	152
Disposals	-	-	-	-	-	(6)	-	(2)	(1)	(1)	-	(10)
At 31 March 2018	**-**	**24**	**264**	**-**	**2**	**28**	**-**	**3**	**7**	**4**	**-**	**332**

(All amounts are in Rs. millions unless otherwise stated)

	Power assets				Other assets							
Particulars	**Right of use - Leasehold Land**	**Buildings**	**Plant and machinery**	**Electrical Installation**	**Temporary Structure**	**Plant and machinery**	**Electrical Installation**	**Office equipments**	**Computers**	**Furniture and fixtures**	**Right of use - Plant and Machinery**	**Total**
Accumulated depreciation												
At 1 April 2018	**-**	**24**	**264**	**-**	**2**	**28**	**-**	**3**	**7**	**4**	**-**	**332**
Charge for the year	-	16	116	-	-	7	-	1	1	2	-	143
Transfers	-	-	-	-	-	(5)	-	-	-	5	-	-
Disposals	-	-	-	-	-	(3)	-	-	-	-	-	(3)
At 31 March 2019	**-**	**40**	**380**	**-**	**2**	**27**	**-**	**4**	**8**	**11**	**-**	**472**
At 1 April 2019	**-**	**40**	**380**	**-**	**2**	**27**	**-**	**4**	**8**	**11**	**-**	**472**
Charge for the year	0	6	60	6	1	3	0	1	1	2	8	88
Disposals	-	-	-	-	(2)	(13)	-	-	-	(0)	-	(15)
At 31 March 2020	**0**	**47**	**440**	**6**	**1**	**17**	**0**	**5**	**9**	**13**	**8**	**545**
Carrying amount (net)												
As at 31 March 2018	**2**	**476**	**735**	**-**	**-**	**39**	**2**	**3**	**1**	**5**	**-**	**1,263**
As at 31 March 2019	**2**	**474**	**700**	**-**	**-**	**28**	**2**	**4**	**1**	**7**	**-**	**1,218**
As at 31 March 2020	**2**	**467**	**730**	**152**	**-**	**23**	**2**	**3**	**1**	**6**	**65**	**1,453**

Note: Refer footnote under Note 6 - Investment property

5 Capital work-in-progress

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Other assets	22	22	22
	22	**22**	**22**

6 Investment property

Particulars	**Freehold Land**	**Right of use - Leasehold Land**	**Buildings**	**Infrastructure and development**	**Roadwork**	**Plant and machinery**	**Furniture and fixtures**	**Electrical installation**	**Total**
Gross block (cost or deemed cost)									
As at 1 April 2017	**1,393**	**1,486**	**29,628**	**2,358**	**47**	**3,774**	**71**	**1,083**	**39,840**
Additions	-	248	2,844	450	-	531	11	108	4,192
Disposals	-	-	(30)	-	-	(11)	(1)	-	(42)
As at 31 March 2018	**1,393**	**1,734**	**32,442**	**2,808**	**47**	**4,294**	**81**	**1,191**	**43,990**
As at 1 April 2018	**1,393**	**1,734**	**32,442**	**2,808**	**47**	**4,294**	**81**	**1,191**	**43,990**
Additions	-	131	1,499	729	-	288	71	179	2,897
Adjustments	-	-	-	-	-	(4)	4	-	-
Disposals	-	-	-	-	-	(16)	(6)	-	(22)
As at 31 March 2019	**1,393**	**1,865**	**33,941**	**3,537**	**47**	**4,562**	**150**	**1,370**	**46,865**
As at 1 April 2019	**1,393**	**1,865**	**33,941**	**3,537**	**47**	**4,562**	**150**	**1,370**	**46,865**
Additions	2,108	3,664	10,636	397	19	625	-	88	17,537
Disposals	-	-	(14)	-	-	-	-	-	(14)
At 31 March 2020	**3,501**	**5,529**	**44,564**	**3,934**	**66**	**5,187**	**150**	**1,458**	**64,388**

(All amounts are in Rs. millions unless otherwise stated)

Particulars	Freehold Land	Right of use - Leasehold Land	Buildings	Infrastructure and development	Roadwork	Plant and machinery	Furniture and fixtures	Electrical installation	Total
Accumulated amortisation									
As at 1 April 2017	**-**	**21**	**1,121**	**397**	**28**	**834**	**29**	**258**	**2,688**
Charge for the year	-	24	937	284	6	506	12	133	1,902
Disposals	-	-	(5)	-	-	(5)	(1)	-	(11)
As at 31 March 2018	**-**	**45**	**2,053**	**681**	**34**	**1,335**	**40**	**391**	**4,579**
As at 1 April 2018	**-**	**45**	**2,053**	**681**	**34**	**1,335**	**40**	**391**	**4,579**
Charge for the year	-	28	954	365	3	539	18	146	2,053
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(5)	(6)	-	(11)
As at 31 March 2019	**-**	**73**	**3,007**	**1,046**	**37**	**1,869**	**52**	**537**	**6,621**
As at 1 April 2019	**-**	**73**	**3,007**	**1,046**	**37**	**1,869**	**52**	**537**	**6,621**
Charge for the year	**-**	**67**	**458**	**218**	**0**	**231**	**14**	**69**	**1,057**
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2020	**-**	**140**	**3,465**	**1,264**	**37**	**2,100**	**66**	**606**	**7,678**
Carrying amount (net)									
As at 31 March 2018	**1,393**	**1,689**	**30,389**	**2,127**	**13**	**2,959**	**41**	**800**	**39,411**
As at 31 March 2019	**1,393**	**1,792**	**30,934**	**2,491**	**10**	**2,693**	**98**	**833**	**40,244**
As at 31 March 2020	**3,501**	**5,389**	**41,099**	**2,671**	**29**	**3,087**	**84**	**852**	**56,710**

Note (a) The Mindspace Business Parks Group has been providing for depreciation on the buildings in some of the SPVs forming part of its Property, Plant and equipment and Investment property on Written Down Value method till the year ended 31 March 2019. However, during the year ended 31 March 2020, the Mindspace Business Parks Group has changed the method from written down value to straight line method based on the past experience and management's assessment of the future economic benefits from these assets.

Note (b) Further, the Mindspace Business Parks Group has revised the useful life of buildings forming part of its Property, Plant & Equipment and Investment Property from 60 years to 75 years with effect from 1st April, 2019 based on an internal assessment supported by a technical evaluation conducted by an independent external structural engineer and an architect. The Mindspace Business Parks Group has also revised the estimated useful life of Plant & Machinery, Electrical installation, Infrastructure & Development from 10 years to 15 years and Road Work from 5 years to 15 years.

The effect of these changes in the accounting estimate as mentioned under (a) and (b) above, has been provided prospectively in the the year ended 31 March 2020 Condensed Combined Financial Statements as per IND AS 8 on "Accounting policies, Changes in Accounting Estimates and Errors". Consequently, depreciation charge for the year ended 31 March 2020 is lower by Rs. 1,124 millions. This change would also impact the depreciation expenses for the future periods.

7 Investment property under construction

The breakup of investment property under construction comprises upcoming buildings in various parks. The SPV wise details are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
MBPPL	2,512	2,062	2,127
Gigaplex	6,032	5,630	5,612
Sundew	494	1,239	134
KRIT	331	94	66
KRC Infra	2,520	5,884	3,483
Horizonview	5,826	4,150	2,604
Avacado	9	-	-
Total	**17,724**	**19,059**	**14,026**

(All amounts are in Rs. millions unless otherwise stated)

8 Intangible assets

Particulars	Power assets	Other assets		Total
	Computer Softwares	Computer Softwares	Trademarks	
Gross block				
As at 1 April 2017	**2**	**5**	**-**	**7**
Additions	1	-	-	**1**
Disposals	-	(1)	-	**(1)**
As at 31 March 2018	**3**	**4**	**-**	**7**
As at 1 April 2018	**3**	**4**	**-**	**7**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
As at 31 March 2019	**3**	**4**	**-**	**7**
As at 1 April 2019	**3**	**4**	**-**	**7**
Additions	**-**	**-**	1	**1**
Disposals	-	-	-	-
As at 31 March 2020	**3**	**4**	**1**	**8**
Accumulated amortisation				
As at 1 April 2017	**1**	**3**	**-**	**4**
Charge for the year	1	1	-	**2**
Disposals	-	(1)	-	**(1)**
As at 31 March 2018	**2**	**3**	**-**	**5**
As at 1 April 2018	**2**	**3**	**-**	**5**
Charge for the year	1	-	-	**1**
Disposals	-	-	-	**-**
As at 31 March 2019	**3**	**3**	**-**	**6**
As at 1 April 2019	**3**	**3**	-	**6**
Charge for the year	**1**	**0**	0	**1**
Disposals	**-**	**-**	-	-
As at 31 March 2020	**4**	**3**	**0**	**7**
Carrying amount (net)				
As at 31 March 2018	**1**	**1**	**-**	**2**
As at 31 March 2019	**-**	**1**	**-**	**1**
As at 31 March 2020	**(0)**	**1**	**1**	**1**

(All amounts are in Rs. millions unless otherwise stated)

9 A Investment in subsidiaries (Non current)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Investments in equity instruments			
Unquoted Equity shares measured at deemed cost			
Investment in subsidiaries			
1,540,000 Equity shares of Dices Realcon Private Ltd, Face value of Rs 10 each fully paid up	180	180	180
1,490,000 Equity shares of Educator Protech Private Ltd, Face value of Rs 10 each fully paid up	197	197	197
1,280,000 Equity shares of Happy Eastcon Private Ltd, Face value of Rs 10 each fully paid up	177	177	177
1,320,000 Equity shares of Sampada Eastpro Private Ltd, Face value of Rs 10 each fully paid up	157	157	157
Less: Provision for impairment loss	(712)	(712)	(711)
	-	**-**	**0**
Investments measured at cost (gross)	**712**	**712**	**712**
Investments measured at fair value through profit or loss	**-**	**-**	**-**
Investments measured at fair value through other comprehensive income	**-**	**-**	**-**
Investments measured at amortised cost	**-**	**-**	**-**
Aggregate amount of impairment recognised	**712**	**712**	**711**

Note:
The value of above investments have been permanently diminished and hence fully impaired.

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Financial assets			
Investments in equity instruments			
Unquoted equity shares measured at FVTOCI			
2,000 equity shares of Stargaze Properties Private Limited, face value of Rs. 10 each fully paid-up	0	0	0
Investment in Government Securities at amortised cost			
25,000 (31 March 2019: 25,000, 31 March 2018: 25,000) 7.61% 'Central Government Loan (Face value Rs 100)	3	3	3
1 (31 March 2019: 1, 31 March 2018: 1) '8.24% GOI 2027 Bond (Face value Rs 2,500,000)	3	3	3
25,000 (31 March 2019: 25,000, 31 March 2018: Nil) 7.17% Central Government Loan (Face value Rs 100)	2	2	-
22,000 (31 March 2019: Nil, 31 March 2018: Nil) 7.26% Central Government Loan (Face value Rs 100)	2	-	-
22,000 (31 March 2019: Nil, 31 March 2018: Nil) 7.06% Central Government Loan (Face value Rs 100)	2	-	-
1 (31 March 2019: 1, 31 March 2018: Nil) 7.72% GOI 2055 Bond (Face value Rs 1,000,000)	1	1	-
1 (31 March 2019: Nil, 31 March 2018: Nil) 7.26% GOI 2029 Bond (Face value Rs 1,800,000)	2	-	-
1 (31 March 2019: Nil, 31 March 2018: Nil) 7.40% GOI 2055 Bond (Face value Rs 1,000,000)	3	-	-
	18	**9**	**6**
Investments measured at cost (gross)	**-**	**-**	**-**
Investments measured at fair value through profit or loss	**-**	**-**	**-**
Investments measured at fair value through other comprehensive income	**0**	**0**	**-**
Investments measured at amortised cost	**18**	**9**	**6**
Aggregate amount of impairment recognised	**-**	**-**	**-**

Note : The Mindspace Business Parks Group holds 4% of the equity share capital of Stargaze Properties Private Limited, a company involved in the real estate development. The Mindspace Business Parks Group is of the view that it is not able to exercise significant influence over Stargaze Properties Private Limited and hence it has not been accounted using equity method.

(All amounts are in Rs. millions unless otherwise stated)

Non-current financial assets

10 Other financial assets (Non current)

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Unsecured, considered good			
Fixed deposits with banks *	85	220	1,055
Unbilled revenue	432	273	225
Interest accrued but not due			
- on fixed deposits	-	-	61
Finance lease receivable	319	358	357
Security deposits for development rights	9	60	60
Security deposits	494	634	791
Other receivables	6	6	6
	1,345	**1,551**	**2,555**

* Includes fixed deposits with banks held as lien against loan availed to support debt servicing and bank guarantees.

11 Deferred tax assets (net)

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax assets (net)	94	116	371
	94	**116**	**371**

12 Non-current tax assets (net)

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Advance tax (net of provision for tax)	2,534	1,892	1,368
	2,534	**1,892**	**1,368**

13 Other non-current assets

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Unsecured, considered good			
Capital advances	1,016	816	701
Balances with government authorities	32	43	95
Prepaid expenses	259	204	189
	1,307	**1,063**	**985**

14 Inventories (valued at lower of cost and net realisable value)

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Building materials and components	52	33	21
	52	**33**	**21**

(All amounts are in Rs. millions unless otherwise stated)

15 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unsecured			
Considered good	369	301	368
Credit impaired	14	15	15
Less: loss allowance	(21)	(15)	(15)
	362	**301**	**368**

16 Loans (Current)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good			
Loans to body corporates (refer note 55)	21,763	21,000	21,129
	21,763	**21,000**	**21,129**

17 A Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Cash on hand	3	4	3
Cheques on hand	-	-	4
Balances with banks			
- in current accounts	465	232	191
- in deposit accounts with original maturity of less than three months	1,741	39	9
	2,209	**275**	**207**

17 B Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Other balances with bank	-	0	0
Fixed deposits with maturity remaining upto twelve months*	352	355	239
	352	**355**	**239**

*Includes fixed deposits with banks held as lien against loan availed to support debt servicing and bank guarantees

18 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good			
Interest receivable			
- on loans to body corporates (refer note 55)	5,181	3,606	2,101
- on others	43	45	21
Interest accrued but not due on fixed deposits	1	3	17
Security deposit for development rights	60	-	-
Security deposits	22	12	11
Unbilled revenue	186	93	98
Finance lease receivable	119	133	144
Other receivables			
- Considered good	151	47	26
- Credit impaired	1	1	1
Less: loss allowance	(1)	(1)	(1)
	5,763	**3,939**	**2,418**

(All amounts are in Rs. millions unless otherwise stated)

19 Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good			
Deposit / advance for supply of goods and rendering of services	91	56	46
Balances with government authorities	149	37	90
Prepaid expenses	165	153	168
Travel and other advances	-	1	1
	405	**247**	**305**

20 Regulatory deferral accounts

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Regulatory assets	110	112	42
	110	**112**	**42**
Regulatory liabilities	46	109	156
	46	**109**	**156**

21 Capital

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Subscribed and paid-up:			
81,513 (31 March 2019: 81,513, 31 March 2018: 81,513) equity shares of Rs 10 each, fully paid-up of MBPPL	1	1	1
12,414,221 (31 March 2019: 12,414,221, 31 March 2018: 12,414,221) equity shares of Re 1 each, fully paid-up of Gigaplex	12	12	12
25,071,875 (31 March 2019: 25,071,875, 31 March 2018: 25,071,875) equity shares of Rs 10 each, fully paid-up of Sundew	251	251	251
1,203,033 (31 March 2019: 1,203,033, 31 March 2018: 1,203,033) equity shares of Rs 10 each, fully paid-up of Intime	12	12	12
17,800,000 (31 March 2019: 17,800,000, 31 March 2018: 17,800,000) equity shares of Rs 10 each, fully paid-up of KRIT	178	178	178
588,235 (31 March 2019: 588,235, 31 March 2018: 588,235) equity shares of Rs10 each, fully paid-up of KRC Infra	6	6	6
11,765 (31 March 2019: 11,765, 31 March 2018: 11,765) equity shares of Rs 10 each fully paid-up of Horizonview	0	0	0
3,975,000 (31 March 2019: 3,975,000, 31 March 2018: 3,975,000) equity shares of Rs. 10 each, fully paid-up of Avacado	40	40	40
Mindspace Business Parks REIT - Corpus	0	-	-
	500	**500**	**500**

Since there are no units issued as on date, the capital of each SPV and corpus of Trust has been presented. Also, the proposed breakup of units is currently not ascertainable. Hence, other disclosures with respect to capital/ units have not been made.

Shares reserved for issuing as bonus shares to existing shareholders
Gigaplex in EGM dated 22nd March 2017 had approved the issuance of 7,187,179 (Seventy One Lakh Eighty Seven Thousand One Hundred Seventy Nine only) equity shares of a face value of Re 1, each fully paid up aggregating to Rs 7.19 millions, as bonus shares to the shareholders of the Company in proportion to their existing shareholding in the Company, out of the free reserves (securities premium account) of the Company. The allotment of bonus shares is awaiting compliance of the conditions upon which the issuance of such bonus shares has been made.

(All amounts are in Rs. millions unless otherwise stated)

22 Instruments entirely equity in nature

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
1,268,326 (31 March 2019: 1,268,326, 31 March 2018: 1,268,326) 0.15% Compulsorily Convertible Preference Shares of Rs. 650 each, fully paid up of Gigaplex	824	824	824
	824	**824**	**824**

Rights, entitlement and obligations of different classes of preference shares:

Gigaplex has only one class of non cumulative compulsorily convertible preference shares (CCPS) which are having a par value of Rs 650 per share. The holder of compulsorily convertible preference shares shall not have any voting rights except in matters that will have impact on terms and conditions of compulsorily convertible preference shares. Compulsorily convertible preference shares holders shall be entitled to preferential dividend at the rate of Re 1 per share for each compulsorily convertible preference shares. Subject to availability of profit first dividend declared or paid after the closing date will be considered as dividend for the period commencing from the closing date and ending 31 March 2017 or such date agreed to holders of compulsorily convertible preference shares and the Company in writing, such that the holder of compulsorily convertible preference shares will be entitled to the full amount of preference dividend and not part only.

During the FY 2016-17, Gigaplex had issued 0.15% compulsorily convertible preference shares which are non cumulative, mandatorily convertible with a term of 19 years and 364 days. As per the framework agreement, these compulsorily convertible preference shares would convert into one or more equity share(s). The CCPS shall be converted into equity shares in accordance with a pre-agreed conversion formula. The shareholding of the Investors in the Company shall be 15% of the Equity Share Capital of the Company. However, upon fulfilment of certain conditions as specified in the framework agreement, the Company shall allot bonus shares to the existing shareholder as referred to in note 21 above and consequently investor can subscribe to additional equity shares to restore their equity shareholding to 15%.

23 Other Equity*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Reserves and Surplus			
General reserve	566	566	326
Contingency Reserve	13	10	8
Deemed capital contribution	148	244	244
Debenture redemption reserve	-	-	240
Securities premium	5,447	7,810	7,810
Retained earnings	13,755	7,180	2,622
	19,928	**15,810**	**11,250**

*Refer Combined Statement of changes in equity for detailed movement in other equity balances.

Brief description of each reserve.

General reserve:
It can be utilised from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Contingency reserve
This reserve represents the contribution for power business and retail supply business as per the Maharashtra Electricity Regulatory Commission (MERC) MYT Order in accordance with the MYT Regulations, 2015 of MERC.

Deemed capital contribution
MBPPL:
Deemed capital contribution pertains to equity component of 0.001% non-cumulative preference shares.
The SPV has issued 3370, 0.001% non-cumulative, redeemable preference shares of Rs 100,000 each.
The SPV has only one class of preference shares having a par value of Rs 100,000 per share. The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the SPV for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re 1 per preference share per year.
Preference shares, shall be redeemed at par at any time at the option of the SPV, but in no event earlier than 3 years from the date of allotment or such other period as may be required by law and not later than 14 years (amended by a special resolution passed at the Extraordinary General meeting held on December 26, 2019 from 17 years) from the date of allotment or such other period as may be required by law. Date of redemption on or before 30th September 2020 (amended by a special resolution passed at the Extraordinary General meeting held on December 26, 2019 from 7th March 2024).
In the event of liquidation of the SPV , the holders of non-cumulative redeemable preference shares will have priority over equity shares in the payment of dividend and repayment of capital. Of the total 3370 shares, 970 shares have been issued during the year 2017 - 2018 for consideration other than cash pursuant to the Scheme of the arrangement entered into by SPV. The liability component of these preference shares is disclosed in note 29.

Debenture redemption reserve:

The Companies Act requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. The Company has redeemed debentures in January 2018.

Securities premium account

This reserve represents the premium on issue of shares and can be utilised in accordance with the provision of the Companies Act, 2013.
Gigaplex
i) Free reserves (securities premium account) to the extent of Rs. 7 million (31 March 2019: Rs. 7 million, 31 March 2018: Rs. 7 million) have been earmarked for issuance of 7,187,179 (31 March 2019: 7,187,179, 31 March 2018: 7,187,179) equity shares of the face value of Re 1, each fully paid up aggregating to Rs 7 million , as bonus shares to the existing shareholders of the SPV in proportion to their existing shareholding in the SPV. The allotment of bonus shares is awaiting compliance of the conditions upon which the issuance of such bonus shares has to be made.
ii) In absence of profits, non-cumulative Preference dividend aggregating to Rs. 1 million for the year ended 31 March 2019 (31 March 2018: Rs. 1 million) has not been recorded.

MBPPL
Refer note 46 for utilisation of securities premium during the year in accordance with the provision of the Companies Act, 2013.

Retained earnings :
This reserve represents the cumulative profits of the Group. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

Reserve for equity instruments measured at FVTOCI
The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(All amounts are in Rs. millions unless otherwise stated)

Financial liabilities

24 Borrowings

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Secured			
Terms loans			
- from banks / financial institutions	63,569	56,006	49,649
Debentures			
Nil (31 March 2019: Nil, 31 March 2018: 3,400) 9.95% Non-convertible, redeemable debentures of Rs 888,000 each, fully paid-up	-	-	2,722
Preference shares			
Liability component of 0.001% non-cumulative redeemable preference shares #	-	203	184
	63,569	**56,209**	**52,555**

Deemed capital contribution pertaining to the preference shares issued and related rights, preferences and restrictions attaching to these preference shares are disclosed in note 23.

25 Other financial liabilities

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Security deposits	1,734	1,363	1,500
Retention money Payable			
- due to micro and small enterprises	19	84	-
- others	68	44	86
Lease liabilities*	176	-	-
	1,997	**1,491**	**1,586**

*Ind AS 116 'Leases' does not have any material impact on the Condensed Combined Financial Statements for any of the prior years presented.

26 Provisions

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Provision for employee benefits			
- gratuity	6	5	3
- compensated absences	3	3	2
	9	**8**	**5**

27 Deferred tax liabilities (net)

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax liabilities (net)	2,788	1,513	1,842
	2,788	**1,513**	**1,842**

(All amounts are in Rs. millions unless otherwise stated)

28 Other non-current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unearned rent	433	264	237
Other payables	-	-	2,041
Other advance	168	14	13
	601	**278**	**2,291**

29 Borrowings (Current)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Secured:			
Loans repayable on demand			
- overdraft from banks	2,870	1,394	1,242
- Term loan from banks	750	-	-
Unsecured:			
Loans repayable on demand			
- loans from body corporates (refer note 55)	-	-	34
Buyer's credit from banks	-	-	310
Preference shares			
# Liability component of 0.001% non-cumulative redeemable preference shares	323	-	-
	3,943	**1,394**	**1,586**

Deemed capital contribution pertaining to the preference shares issued and related rights, preferences and restrictions attaching to these preference shares are disclosed in note 23.

30 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises*	112	71	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	711	621	741
Acceptances	-	-	40
	823	**692**	**781**

Note:

Trade payables are non-interest bearing and are settled in accordance with the contract terms with the vendors. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

* Dues to Micro and Small Enterprises (MSE) have been determined to the extent such parties have been identified on the basis of information collected by management.

(All amounts are in Rs. millions unless otherwise stated)

31 Other financial liabilities (Current)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt			
- from banks / financial institutions / non convertible debentures	6,557	3,191	4,372
Employees dues payable	0	-	-
Interest accrued but not due on loans from			
- banks / financial institutions	94	116	78
- others	-	-	1
Interest accrued and due	77	62	49
Security deposits	5,525	5,244	4,655
Retention dues payable			
- due to micro and small enterprises	121	28	-
- others	86	97	93
Book overdraft	-	23	-
Capital creditors			
- Other than body corporates			
- Due to micro and small enterprises	430	261	-
- Others	1,725	660	586
Lease liabilities*	18	-	-
Other financial liabilities	118	18	30
	14,751	**9,700**	**9,864**

*Ind AS 116 ‘Leases' does not have any material impact on the Condensed Combined Financial Statements for any of the prior years presented.

32 Provisions (Current)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 26 above)			
- gratuity	0	0	0
- compensated absences	0	1	0
Provision for compensation	8	-	-
	8	**1**	**0**

33 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unearned rent	198	150	183
Advances received from customers	68	108	83
Statutory dues	296	392	182
Other advances	5	5	5
Other payable	207	917	46
	774	**1,572**	**499**

(All amounts are in Rs. millions unless otherwise stated)

34 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of services			
Facility rentals	11,995	11,061	9,630
Maintenance services	2,838	2,624	2,410
Revenue from works contract services	2,159	-	-
Revenue from power supply	**527**	**506**	**461**
Other operating income			
Interest income from finance lease	96	97	107
Sale of surplus construction material and scrap	41	24	18
Service connection and other charges	4	4	5
	17,660	**14,316**	**12,631**

35 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income			
- on loans to body corporates	2,461	2,384	2,211
- electricity deposits	18	7	9
- overdue trade receivables	2	-	-
- on fixed deposits with banks	37	51	122
- on Income-tax refunds	-	4	1
- others	5	16	15
Profit on sale of assets (net)	12	6	-
Royalty income	1	-	-
Liabilities no longer required written back	65	9	29
Miscellaneous income	1	4	4
	2,602	**2,481**	**2,391**

(All amounts are in Rs. millions unless otherwise stated)

36 Cost of work contract services

	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Cost of work contract services	2,140	-	-
	2,140	**-**	**-**

37 Cost of materials sold

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Cost of materials sold	3	4	8
	3	**4**	**8**

38 Cost of power purchased

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Cost of power purchased	683	617	550
	683	**617**	**550**

39 Employee benefits expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	62	40	34
Contribution to provident and other funds	3	2	2
Gratuity expenses	1	1	1
Compensated absences	1	1	1
Staff welfare expenses	1	0	1
	68	**44**	**39**

(All amounts are in Rs. millions unless otherwise stated)

40 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Repairs and maintenance:			
- building	1,804	1,738	1,537
- plant and machinery	251	173	162
- computers	2	3	1
- electrical installation	34	7	5
Rent	0	12	12
Property tax	371	508	365
Royalty	23	-	40
Legal and professional fees *	201	74	110
Electricity, water and diesel charges	78	72	77
Travelling and conveyance	20	12	8
Rates and taxes	17	38	15
Insurance	44	42	30
Payment to auditors	23	18	11
Business support fees	443	405	356
Brokerage and commission	160	202	269
Donation	3	3	3
Filing fees and stamping charges	30	4	346
Business promotion expenses/advertising expense	41	28	23
Bank Charges	4	2	3
Bad debts written off	8	-	-
Corporate Social Responsibility expenses	37	126	27
Miscellaneous expenses	53	40	28
Impairment for diminution in value of investments held	-	0	711
Directors' sitting fees	2	2	1
Foreign exchange loss (net)	1	-	-
Provision for Doubtful Debts (net)	-	-	6
Project expenditure	-	-	3
Loss on sale of assets (net)	-	-	1
Fixed asset written off	-	-	26
Inventory written off	-	9	-
	3,650	**3,518**	**4,176**

* Legal and professional fees include amount of Rs.14 million for professional services rendered by auditor in connection with the proposed initial public offering of the units of the Trust

41 Finance costs (net of capitalisation)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense			
- on borrowings from banks and financial institutions	6,290	5,264	4,407
- on loans from body corporates	-	3	34
- on non-convertible redeemable debentures	-	92	633
- on lease liability	15	-	-
- on others	13	12	14
Accretion of interest on 0.001% non-cumulative redeemable preference shares	24	20	15
Unwinding of interest expenses on security deposits	197	208	481
Foreign exchange fluctuation loss (net)	-	16	126
Other finance charges	49	77	35
Less: Finance costs capitalised to investment property under construction	(1,474)	(1,230)	(972)
Less: Interest allocation	-	-	(85)
	5,114	**4,462**	**4,688**

(All amounts are in Rs. millions unless otherwise stated)

42 Depreciation and amortisation

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Depreciation / amortisation of property, plant and equipment	88	143	152
Depreciation / amortisation of investment property	1,057	2,053	1,902
Amortisation of intangible assets	1	1	2
Less: depreciation cost transferred to investment properties under construction	(0)	(1)	(2)
	1,146	**2,196**	**2,054**

43 Tax expense

	For the year ended 31 March 2020	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Current tax (including previous year tax adjustments)	1,080	993	755
Deferred tax charge	1,578	86	1,514
MAT credit entitlement (including previous year tax adjustments)	(279)	(160)	(361)
	2,379	**919**	**1,908**

44 Subsequent events

KRC Infra plans to commence facility management business with effect from the first day of the quarter following the listing of Units on the Stock Exchanges under the brand name CAMPLUS for providing facilities management services to the assets in our Portfolio and third parties, if any, located within the assets.

(All amounts are in Rs. millions unless otherwise stated)

45 Contingent liabilities and Capital commitments

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Contingent liabilities			
Claims against the SPVs not acknowledged as debt in respect of Income-Tax matters (Refer note 1 below) excluding interest	969	271	3
Claims against the SPVs not acknowledged as debt in respect of Service-Tax matters (Refer note 2 below)	333	327	327
Claims against the SPVs not acknowledged as debt in respect of Customs duty matters (Refer note 3 below)	25	-	-
Claims against the SPVs not acknowledged as debt in respect of Stamp duty	65	65	65
Bank guarantees	-	7	6
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer Note 4 below)	4,502	6,799	2,440

For the purpose of above disclosure only those contingent liabilities that existed as of 31 March 2020 have been considered together with the comparatives for the previous years ending 31 March 2019 and 2018 in terms of paragraph 4.3 of Annexure A of SEBI Circular No. CIR/IMD/DF/141/2016 dated 26 December, 2016 on Disclosure of financial information in offer document for REITs.

Notes:

1 a) Gigaplex -An appeal has been filed for A.Y. 2010-11 before CIT(A) against the penalty order raising demand of Rs.3 million and the appeal is pending. The company has paid 20% (Rs.0.6 million) with a request to keep the demand in abeyance. As per Income tax website , there is no demand oustanding.

(b) KRIT - Contingent liability of Rs. 933 million relate to AY 2012-13 to AY 2018-19 for which company has filed appeals before CIT(A) against orders under section 143(3) / 143(3) read with section 153A of the Act contesting the disallowance of deduction under section 80IA of the Income Tax Act, 1961. The company is hopeful of a favourable outcome for these Assessment Years. In case of unfavourable decisions in appeal for AY 2012-13 and AY 2018-19, the tax would be payable under normal tax and hence, MAT credit currently available with the Company will no longer be available. As a result, in addition to above contingent liability, the Company would require to pay additional tax of Rs.326 million w.r.t. AY 2019-20 and AY 2020-21 (These years are not under litigation) because during these years the Company has utilised the MAT credit availed during AY 2012-13 to AY 2018-19.
For AY 2009-10 and AY 2010-11, Income tax cases on 80IA disallowances are pending with Hon'ble HC of Telangana based on appeal filed by the department against the ITAT - Hyderabad order, which were in favour of the Company. Future Cash outflow in respect of above, if any, is determinable only on receipt of judgements / decisions pending with relevant authorities.

(c) Avacado - Contingent liability of Rs.33 million relate to AY 2015-16, AY 2016-17 and AY 2017-18 for which company has filed appeals before CIT(A) against order u/s 143(3) read with section 153A of the Act contesting the disallowances made u/s. 14A and 80IA. The company is hopeful of a favourable outcome for these Assessment Years. In case of unfavourable decision in appeal, for AY 2015 16 and AY 2016 17 the tax would be payable under MAT, which will be available for set-off against tax liability of future years. For AY 2017-18 additional tax payable would be set-off against MAT credit of earlier years.

2

SPVs	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
MBPPL	92	92	92
Sundew	2	2	2
Intime	41	42	42
KRIT	189	191	191
Avacado	8	-	-
	333	**327**	**327**

MBPPL : The SPV has received show cause and demand notices for inclusion in taxable value amounts received as reimbursement of electricity and allied charges and demand service tax there on of Rs. 92 million. SPV has filled appropriate replies to the show cause and demand notices.

Sundew : Demand for Non Payment of service tax on renting of fitouts and equipments Rs.2 Million and Demand for Interest and Penalty on account of wrong availment of credit of service tax paid on input services Rs.0 mn . SPV has filed an appeals with CESTAT and matter is pending.

Intime : Demand for Non Payment of service tax on renting of fitouts and equipments Rs.21 million and Demand for Service tax on electricity and water and irregular availment of credit of service tax paid on input services Rs.20 million. SPV has filed an appeals with CESTAT and matter is pending.

KRIT : Demand for Non Payment of service tax on renting of fitouts and equipments Rs.96 million and Demand for Service tax on electricity and water and irregular availment of credit of service tax paid on input services Rs.93 million. SPV has filed an appeals with CESTAT and matter is pending.

Avacado : The SPV has received an order dated 31 January 2018 pronounced by the Commissioner (Appeals), confirming the service tax demand of Rs. 7 millions (excluding applicable interest and penalty thereon) on renting of immovable property services provided to tenants during the period April 2008 to March 2011. The Company has filed an Appeal before the Customs, Central Excise & Service Tax Appellate Tribunal. The matter is pending adjudication.

For the subsequent period April 2011 to September 2011, the Company has received a Show Cause cum Demand Notice dated 22 October 2012 alleging non-payment of service tax of Rs. 1 millions (excluding applicable interest and penalty thereon) on renting of immovable property services provided to tenants. The Company has filed its detailed reply on 24 December 2012. No further correspondence has been received in this case.
For both the above matters, SPV has filed applications in Form SVLDRS-1 under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. The Final Order for the same is pending.

3 Customs duty demand at the time of debonding of assets from the Software Technology Parks of India scheme (STPI) for Intime Rs. 16 million and KRIT Rs. 9 million

4 The SPV wise details of capital commitments are as follows:

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
MBPPL	542	111	246
Gigaplex	215	1,382	1,340
Sundew	872	1,298	108
KRC Infra	1,583	2,109	741
Horizonview	786	1,896	-
KRIT	381	-	-
Avacado	123	3	5
	4,502	**6,799**	**2,440**

5 **Avacado**

a) A Suit has been filed in the year 2008 by Nusli Neville Wadia (Plaintiff) against Ivory Properties and Hotels Private Limited (Ivory) & Others which includes the Company as one of the Defendants inter alia in respect of the land and the 'Paradigm' Industrial Park building of the Company. The Plaintiff has prayed against the Company and the said Ivory restraining them from carrying out further construction or any other activity on the land (on which the building Paradigm is constructed), demolition and removal of the structures on the said land, appointment of a Court Receiver in respect of the said land and Paradigm building, declaring the MOUs / Agreements entered into by the Company with Ivory and the Plaintiff as voidable and having been avoided and rescinded by the Plaintiff and to be delivered up and cancelled, restraining from alienating, encumbering or parting with possession of structures and restraining from dealing with, creating fresh leases / licenses or renewing lease / license in respect of the said Paradigm building and from receiving or recovering any rent / license fee / compensation in respect of the said leases / licenses, depositing all the rents in the Court, etc. The Court has not granted any ad-interim relief to the Plaintiff. The Company has filed its reply to the said Suit denying the allegations and praying that no interim relief be granted to the Plaintiff. The Company in its reply has also taken up a plea that issue of limitation should be decided as a preliminary issue before any interim relief could be granted to the Plaintiff. Pursuant to the Plaintiff's application for expedited hearing of the case, the Hon'ble High Court Bombay vide an Order dated 19/09/2013 and 20/09/2013 framed the issue of limitation under section 9 (A) of Code of Civil Procedure to be tried as to jurisdiction for the maintainability of the suit and directed the Plaintiff to file an affidavit in lieu of examination in chief of the first witness on or before 17/10/2013. Pursuant to the Plaintiff's SLP in the Supreme Court challenging the Orders of the Hon'ble High Court dated 19/09/2013 and 20/09/2013, the Hon'ble Supreme Court vide its Order dated 08/10/2013 stayed the operation of the aforesaid Orders and further proceedings in the High Court Suit No. 414 of 2008. Thereafter the Hon'ble Supreme Court by its Order dated 25 August 2015 has referred the said SLP to a three Judge Bench to be posted along with SLP (C) No. 22438 of 2015.The SC by its Order dated 12.12.2018 disposed off the said SLP as infructuous in view of deletion of Section 9A of the Civil Procedure Code by the Maharashtra Act 61 of 2018 on 29.10.2018. In view of the subsequent amendment by the State of Maharashtra to the said provisions, pursuant to the Petitioners application to restore the SLP by cancelling the Order dated 12.12.2018, by Judgement dated 4.10.2019, three Judge Bench of the SC held that u/s 9A CPC (Maharashtra) question of limitation cannot be decided as a preliminary issue as to jurisdiction. The SLP, application for interim relief and the High court Suit are pending for the final hearing. Based on an advice obtained from an independent legal counsel, the management is confident that the Company will be able to suitably defend and the impact, if any, on the Ind AS financial statements can be determined on disposal of the above Petition.

Further, the Plaintiff, through his advocates & solicitors, had addressed letter dated February 13, 2020 including to Mindspace REIT, the Manager, the Trustee, the Sponsors, Avacado, Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L. Raheja, Ivory Properties and KRCPL, expressing his objection to the proposed Offer and any actions concerning the building Paradigm located at Mindspace Malad project. The allegations and averments made by the Plaintiff have been responded and denied by the addressees, through their advocates & solicitors. No further correspondence has been received.

b) Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007 by the Finance Act, 2010, some of the lessees to whom the Company has let out its premises, have based on a legal advice, challenged the said levy and, inter-alia, its retrospective application and withheld payment of service tax to the Company, based on certain judicial pronouncements and stay orders granted by appropriate High Courts from time to time. Further in this regard the Hon'ble Supreme Court has passed an interim order dated 14th October, 2011 in Civil appeal nos. 8390, 8391-8393 of 2011 and in compliance of which, such lessees have deposited with appropriate authority in 3 installments, 50% of the amount such service tax not so paid by them upto 30 September 2011 and have furnished surety for the balance 50% of the amount of service tax and which amount has also been deposited by them with the authorities. Further as per Hon'ble Supreme Court's Order dated 5th April 2018 in Civil Appeal No. (s) 4487/2010, the matter is deferred until disposal of the issues pending before the nine judges Bench in Mineral Area Development Authority and others.
In view of the above and subject to the final orders being passed by the Hon'ble Supreme Court in the aforesaid appeals, there may be a contingent liability on the Company in respect of interest payable on account of the delayed payment of service tax, which amount would be recoverable from the respective lessees by the Company.

6 **KRC Infra**

a) In respect of the Company's project at Village Kharadi, Pune, a special civil suit is filed. The suit filed by Ashok Phulchand Bhandari against Balasaheb Laxman Shivale and 29 others in respect of inter alia an undivided share admeasuring 44.15 Ares out of the land bearing S. No 65 Hissa No. 3 for declaration, specific performance, injunction and other reliefs. Neither Gera Developments Private Limited nor KRC Infrastructure and Projects Private Limited is a party to the aforementioned suit and neither of them have filed any intervention application. There are no orders passed in the matter affecting the suit lands or the development thereof or restraining the transfer or development of the the aforesaid land in any manner whatsoever.

7 **MBPPL**

a) Pursuant to the demerger and vesting of the Commerzone Undertaking of K Raheja Corp Pvt Ltd. (KRCPL), in the Company MBPPL, the company MBPPL is the owner to the extent of 88.16 % undivided right title and interest in the land bearing S. No 144, 145 Yerawada, Pune which is comprised in the said Undertaking. "Shrimant Chhatrapati Udayan Raje Bhosale ("the Plaintiff") has filed a Special Civil Suit bearing No.133 of 2009 in the Court of Civil Judge, Senior Division Pune against the erstwhile land Owner Shri Mukund Bhavan Trust (who had entrusted development rights to MBPPL) and the State of Maharashtra, claiming to be the owner of the said land. The Hon'ble Court was pleased to reject the Application for amendment of plaint filed by the Plaintiff and allow the Third Party Applications on 14.11.2016. The Plaintiff has filed two writ petitions bearing No. 4415/2017 and 4268/2017 in the Bombay High Court challenging the aforesaid orders passed on 14.11.2016. The matter was transferred to another Court for administrative reasons and adjourned on several occasions for compliance of the order by the Plaintiff. On 5th March 2018 the Advocate for the Plaintiff filed a purshis on record stating that since he does not have any instructions in the matter from the Plaintiff, the Vakalatnama is being withdrawn by him and the matter was posted on 20th March 2018. On 20th March 2018 the Hon'ble Court was pleased to adjourn the matter till 22nd June 2018 since the Advocate for the Plaintiff had withdrawn the Vakalatnama and the Plaintiff was not represented by any Advocate. Writ Petition No. 4415/2017 and 4268/2017 filed in the Hon'ble Bombay High Court challenging the orders dated 14 November 2016 by Shrimant Chatrapati Udayanraje Bhosale against Shri. Mukund Bhavan Trust and others came up for hearing on 28 November 2017 wherein the Advocate for the Petitioner undertook to serve the copy of the petition on the Respondent No. 2 i.e. State of Maharashtra and the Hon'ble High Court was pleased to adjourn the same till 16.01.2018, 26.02.2018, 22.06.2018. On 22.06.2018 the Advocate for the Defendant No. 1 filed a purshis stating that the Defendant No. 1 (a) expired. matter was further adjourned till 24.10.18, 26.11.18, 21.12.18, 01.02.2019, 25.03.2019 and 15.04.2019, 18.06.2019, 27.08.2019, 19.09.2019.On 19.09.2019 the matter has been stayed by the Hon'ble Court and further posted on 11.11.2019 for compliance of the order dated 14.11.2016 by the Plaintiff. The matter has been stayed under Sec 10 of Code of Civil Procedure. The matter has been further posted on 07.04.2020. Both the Writ Petitions were posted on 21.09.18, 11.10.18, 22.10.18 and further posted on 10.06.19 for Admission. The matter has been further posted on 25.06.2020. In the management's view, as per legal advice, considering the matter and the facts, no provision for any loss / liability is presently required to be made.

b) Maharashtra State Electricity Distribution Company Limited (MSEDCL) had sent a letter and subsequently, a show cause notice as to why the K. Raheja Corp Pvt. Ltd. (KRCPL) (of which the Commerzone Undertaking is demerged in the company MBPPL) should not be penalised for alleged laying of cable without obtaining proper permission from the Pune Municipal Corporation (PMC) and levied a penalty of Rs. 23.05 Millions on MBPPL. MBPPL has adequately responded to such allegations. Pune Municipal Corporation has issued to MSEDCL (with a copy to MBPPL and Panchashil Corporate Park Pvt.(Ltd.) (Panchasil) stating that the penalty has been waived however, since there has been a violation of PMC approved trenching policy the penalty of Rs.4.86 millions is to be paid by Panchasil and MBPPL. MBPPL has received letter from MSEDCL addressed to MBPPL and Panchashil to pay penalty charges of Rs. 4.86 Millions and complete the balance cable laying work on priority by observing rules and regulations of MSEDCL with due permission from PMC. MSEDCL sent a letter to Panchashil and MBPPL providing the bifurcation of penalty of Rs. 4.86 Millions and requesting Panchashil and MBPPL to make the payment at the earliest. MBPPL has sent a reply letter dated informing MSEDCL that MBPPL is not liable to pay penalty of Rs. 3.14 Millions and in respect of the penalty of Rs. 1.72 Millions, MBPPL and Panchashil are both jointly liable to pay the same. MBPPL has further requested MSEDCL to confirm on the same to enable MBPPL and Panchashil to discuss/negotiate on the same. It is learnt that Panchshil made the payment of Rs. 4.86 Millions as penalty charges to MSEDCL and completed the work of laying cable. No provision is considered necessary at this stage.

c) The Company is subject to other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

d) MBPPL received a communication (alleged reminder) from Pune Municipal Corporation (PMC) demanding an amount of Rs.156.98 Millions allegedly due from MBPPL based on objections by internal audit report of Pune Municipal Corporation. MBPPL, has submitted a letter denying all allegation of PMC, as MBPPL has not been served with any document referred to the said PMC letter. Subsequently MBPPL addressed one more communication stating that MBPPL would be in a position to submit their reply upon receipt of the details of amount demanded as per their reply submitted which states that if any principal outstanding is due/recoverable, MBPPL agrees to make the said payment and sought detailed clarification on the interest amount.

8 **Intime and Sundew**

a) In accordance with the Scheme of arrangement which was approved by Hon'ble Andhra Pradesh High Court on 23 March 2007, the Industrial Park II and III undertakings of K.Raheja IT Park (Hyderabad) Limited (formerly known as K.Raheja IT Park (Hyderabad) Private Limited) ("KRIT") have been demerged and vested in the Company with effect from the appointed date i.e. 01 September 2006.

The Company had acquired the land at Madhapur, Hyderabad as part of the demerger scheme from KRIT. The said land is in lieu of the employment opportunities to be generated by KRIT and others.

The liability, if any, arising due to the obligation to create the job opportunities for the entire larger land of which the above property is a part, continues to be retained by KRIT as at 31 December 2019.

During the year ended 31 March 2016,Telangana State Industrial Infrastructure Corporation Limited ("TSIIC") has returned the original Bank Guarantees to KRIT and also confirmed to the bank that TSIIC will not claim any amount from the bank under the Bank Guarantees and the bank is relieved of its obligation. Hence, no liability is recognised towards the price of the plot of land.

b) An unconditional obligation to pay amounts due to Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") in respect of APIIC's claims of losses due to any difference in values pertaining to sale transactions of the project undertaken by the Company. Losses incurred by the Government/TSIIC in its JV Company, if any, will be paid in full by K Raheja Corp Pvt Ltd and it has furnished to the Company in writing agreeing and admitting liability to make such payment to Government/TSIIC, the shareholding pattern of the Government/TSIIC in the JV Company and the Demerged company will not change as a result of conversion from Private to Public, the Government / TSIIC equity of 11% will remain the same in the Company and all the demerged companies and further in future, Government / TSIIC will not be asked to infuse further cash to maintain its 11% stake.

9 **Gigaplex**

a) Regular Civil Suit had been filed before the Hon. Civil Judge (J.D) Vashi at Central Business District by an Education Society ("the Plaintiff") who is claiming rights in existing school structure, claiming its area as 500 square meters and its existence since more than 30 years, seeking an injunction not to dispossess him. The Company has filed its reply opposing the Plaintiff's prayers. After hearing the parties, the Hon'ble Judge at the Vashi Court had rejected the Plaintiff's Injunction Application by Order dated 20.08.18 (Order). Thereafter the Plaintiff has filed an appeal in Thane District Court. In management view, the estimate of possible obligation arising out of the same is remote, hence no provision has been taken.

10 **KRIT**

a) The Company had entered into an undertaking dated 15 February 2014 along with Intime Properties Limited ("IPL" or "demerged company") and Sundew Properties Limited ("SPL" or "demerged company"), wherein the Company has undertaken an unconditional obligation to pay amounts due to Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") in respect of APIIC's claims of losses due to any difference in values pertaining to sale transactions of the project undertaken by the Company. The liability of the Company is joint and several with IPL and SPL. Management believes that the probability of the liability, if any on account of above mentioned undertaking is remote and not material. Further, the Company is in process of furnishing an additional undertaking to Telangana State Industrial Infrastructure Corporation Limited ('TSIIC') on 24 October 2016 that the losses incurred by the Government / TSIIC in its JV Company, if any, will be paid in full by K Raheja Corp Pvt Ltd and it has furnished to the Company in writing agreeing and admitting liability to make such payment to Government / TSIIC, the shareholding pattern of the Government / TSIIC in the JV Company and the Demerged company will not change as a result of conversion from Private to Public, the Government / TSIIC equity of 11% will remain the same in the Company and all the demerged companies and further in future, Government / TSIIC will not be asked to infuse further cash to maintain its 11% stake.

During the previous year the Company had made a deposit of INR 70.80 millions to TSIIC, calculated on the basis of higher of the losses observed by TSIIC Internal (three men) Committee Report and Sri. K. Narasimha Murthy, Cost Accountant Report, which will be adjusted against any loss or refunded as per the decision of Government/TSIIC on finalisation of the said losses. The said deposit was made without prejudice to the claim that the transfer of lands were made at the prevailing market prices as per the decision taken at the meeting of the Board of Directors in the presence of APIIC nominee and under a unanimous resolution. The Company had received intimation from TSIIC that an external agency has been further appointed to re-estimate the presumed loss incurred by the Government / TSIIC in the project. The report from such agency is awaited.

b) A Writ petition has been filed against the Company in the High Court of Judicature of Andhra Pradesh at Hyderabad with respect to specific use of the land admeasuring 4,500 square yards, earmarked as plot 18. Pursuant to it, the Court has passed an Order for no construction activity on the said plot of land until further orders of the Court. The Company has filed its reply and also sought expeditious hearing. The matter is pending for disposal by the High Court. Based on the facts of the case, the management does not expect any liability and is of the opinion that no provision needs to be made.

11 **Horizonview**

a) W.S. Industries (India) Limited ("WSIIL") has filed a writ petition before the Madras High Court against the District Revenue Officer, Thiruvallur ("DRO") and P. Jeyapal S/o R. Perumalsamy ("Jeyapal") seeking directions for quashing a notice dated May 25, 2017 issued by the DRO and Additional District Judge ("Notice"). The Notice was issued by the DRO cum Additional District Judge on a complaint presented by Jeyapal alleging that lands were handed over to WSIIL on certain conditions, and instead of using such lands for common purpose, WSIIL has been using the lands for commercial purpose. WSIIL is the erstwhile owner of the land, a portion of which was subsequently sold and transferred by WSIIL to certain entities. Horizonview has been granted development rights over such land. The Madras High Court, by its order dated June 5, 2017, has granted interim stay. The matter is pending before the Madras High Court. Neither RPIL Signalling Systems Limited (the present owner of the land at Porur being developed by Horizonview Properties Private Limited) nor Horizonview Properties Private Limited is a party to the aforementioned suit.

46 KRC Infra

In terms of an agreement entered into with a party during the financial year ended March 31, 2017, KRC Infra has acquired certain parcels of land situated in Kharadi near Pune, Maharashtra for which the consideration was to be discharged by way of KRC Infra constructing and giving free of cost a building. KRC Infra, in its books of account for the year ended March 31, 2017 accounted for an amount of Rs.1.6 million and the stamp duty amount of Rs.16.2 millions as the cost of acquisition of the land. The estimated cost of construction of the building to be handed over as part consideration to the seller of land was not accounted in the books. However, the actual cost of construction of the above building, as and when incurred, was accounted as Investment property under construction / Inventory in the respective years ended March 31, 2017 to March 31, 2019. KRC Infra has now, in the financial year 2019-20 carried out the accounting with respect to the above purchase of land by recognising the liability towards cost of land at an estimated cost of Rs.1880 millions under Investment property under construction by making provision for unspent amount in other payables in the financial statements for the year ended March 31, 2017 and the subsequent financial years ended March 31, 2018 and 2019 to the extent considered necessary.The resultant impact of this is given in the Condensed Combined Financial Statements.

Horizonview

In terms of development agreement entered into with a party in the earlier year, Horizonview has acquired certain development rights at Porur, Chennai for which the consideration was payable by an upfront payment and partly by way of Horizonview constructing certain area of building free of cost for and on behalf of such party. Horizonview, in its books of account has accounted for an amount of Rs.160 million as a cost of such development rights. The estimated cost of construction of the building to be constructed in consideration for acquisition of the said development rights, was not accounted in the books. However, the actual cost of construction of the above building, as and when incurred, was being accounted and shown under Investment property under construction in the respective years till March 31, 2019. Horizonview has now, in the financial year 2019-20 carried out the accounting with respect to the above development rights based on the estimated cost of construction being Rs.1078 million with respect to the said development rights by recognising the liability in the financial statements for the year ended March 31 2017 and the subsequent financial years ended March 31, 2018 and 2019 to the extent considered necessary. The resultant impact of this is given in the Condensed Combined Financial Statements.

MBPPL

The Board of Directors of the Company in their meeting dated 9th October 2019, had passed a resolution for reduction of capital of the Company under section 66 of The Companies Act, 2013 by offsetting balance in ‘accumulated losses’ as at June 30, 2019 against balance in ‘securities premium account’. The same was approved by the shareholders in the Extraordinary General Meeting held on 11th October 2019 and the Company had filed the necessary petition (“Petition”) with the National Company Law Tribunal (“NCLT”) on 24th October 2019.

NCLT has approved the said petition on 12th March 2020. Section 66 of the Companies Act, 2013 provides that once the capital reduction scheme has been approved by the NCLT, a certified copy of the order needs to be filed with the Registrar of Companies (ROC), post which the ROC shall register and issue a certificate to that effect. Receipt of the certified copy of the approval of NCLT was delayed on account of lockdown due to COVID-19. The Company received the certified copy approving the Petition on 28th May, 2020 and has filed the same with ROC on 6th June 2020. The Company has received the certificate from the ROC on 11th June 2020. Accordingly, Company has given effect of the scheme in financials for the year ended March 31, 2020.

Assessment of possible impact resulting from Covid-19 pandemic

The coronavirus (Covid 19) outbreak has impacted businesses globally in various forms and magnitude. In India as well, the emergency measures, in form of lock-down, imposed by central and state governments to contain the spread of Covid-19 pandemic have led to disruption of businesses and economic activity.

The Management is closely monitoring the impact of coronavirus pandemic on all aspects of its investments and operations, including its liquidity position, recoverability/carrying values of its trade receivables, business and other advances, inventory, property, plant and equipment, investment property (including under construction properties) and loans given as at balance sheet date. The Management has assessed this impact and future uncertainties resulting from Covid-19 pandemic based on the information available till the date of approval of these financial statements, including discussions with various stakeholders, views from experts and industry participants, forecasts by various agencies and organisations, market estimates, etc. The Management, based on assumptions and current estimates expects that the carrying amount of its assets as reflected in the balance sheet as at March 31, 2020 will be recovered. The actual impact of Covid-19 pandemic on the business operations may, however, differ from that assessed by the Management as at the date of approval of these financial statements. Due to the evolving nature of the pandemic and its response by various government authorities, the Management will continue to monitor developments to identify significant uncertainties In future periods that may have an impact on our operations.

(All amounts are in Rs. millions unless otherwise stated)

47 Financial instruments

A The carrying value and fair value of financial instruments by categories are as below:

Financial assets	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Fair value through other comprehensive income ('FVTOCI')			
Investments - non-current	0	0	0
Fair value through profit and loss ('FVTPL')			
Investment in mutual funds - current investments	-	-	-
Amortised cost			
Investments - non-current	18	9	6
Loans	21,763	21,000	21,129
Trade receivables	362	301	368
Cash and cash equivalents	2,209	275	207
Other bank balances	352	355	239
Other financial assets	7,108	5,490	4,973
Investments - current	-	-	-
Total assets	**31,812**	**27,430**	**26,922**
Financial liabilities			
Borrowings (including current maturities of long-term debt)	74,069	60,794	58,513
Security deposits	7,260	6,607	6,155
Trade payables	822	692	781
Other financial liabilities	2,932	1,393	923
Total liabilities	**85,082**	**69,486**	**66,372**

The Management considers that the carrying amount of the above financial assets and liabilities approximates to their fair value.

(All amounts are in Rs. millions unless otherwise stated)

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Fair value hierarchy

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

The following table presents the fair value measurement hierarchy of assets and liabilities measured at fair value on recurring basis as at 31 March 2020, 31 March 2019 and 31 March 2018.

Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTOCI financial investments:		0			0

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTOCI financial investments:		0	-	-	0

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Particulars	**Date of valuation**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value:					
FVTOCI financial investments:		0	-	-	0

c) Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during and all the three years.

d) Determination of fair values

Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) The fair value of mutual funds are based on price quotations at reporting date.

ii) The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.

(All amounts are in Rs. millions unless otherwise stated)

48 Segment information

The Group is organised into the three operating divisions - 'real estate development', 'power distribution' and 'treasury', which are determined based on the internal organisation and management structure of the Group and its system of internal financial reporting and the nature of its risks and its returns. The Governing Board of the manager has been identified as the chief operating decision maker (CODM). CODM evaluates the Group's performance, allocates resources based on analysis of various performance indicators of the Group as disclosed below.

Primary segment information

The primary reportable segment is business segment.

Real estate development

Real estate development comprises development of project/property under special economic zone (SEZ), information technology parks (IT parks) and other commercial project/building. After development of the project/property, the same is leased out to the different customers. The Group has its project/property in Mumbai, Hyderabad, Pune and Chennai. The Group has also executed works contracts for construction of buildings based on customers specification and requirements.

Power distribution

The state power regulator has taken on record the SEZ developer MBPPL, Gigaplex and KRC Infra as Deemed Distribution Licensee for Power. The approved SPVs being Deemed Distributor, supplies power to customers within the notified SEZ.

Investment (treasury)

Investment (treasury) comprises of the activities of intercorporate loans given by the Group and earning income on such loans.

March,2018

Particulars	Real estate development	Power distribution	Investment (treasury)	Unallocable	Inter segment elimination	Total
Segment revenue	12,165	670	2,211	-	(208)	14,838
Segment result	6,694	(76)	2,211	(1,249)	-	7,580
Finance cost		-	-	4,207	-	4,207
Employee benefit expenses	-	-	-	39	-	39
Interest income / other income	-	1	-	183	-	184
Profit / (Loss) before tax	6,694	(75)	2,211	(5,312)	-	3,518
Tax	-	-	-	1,908	-	1,908
Profit / (Loss) after tax	6,694	(75)	2,211	(7,220)	-	1,610

Other Information

Segment assets	56,496	1,487	23,230	3,525	-	84,738
Segment liabilities	10,183	317	-	60,665	-	71,165
Capital expenditure	4,745	86	-	-	-	4,831
Depreciation & amortisation	1,920	134	-	-	-	2,054

March,2019

Particulars	Real estate development	Power distribution	Investment (treasury)	Unallocable	Inter segment elimination	Total
Segment revenue	13,806	718	2,384	-	(212)	16,696
Segment result	8,178	(11)	2,384	(281)	-	10,270
Finance cost		-	-	4,254	-	4,254
Employee benefit expenses	-	-	-	44	-	44
Interest income / other income	-	1	-	100	-	101
Profit / (Loss) before tax	8,178	(10)	2,384	(4,480)	-	6,073
Tax	-	-	-	919	-	919
Profit / (Loss) after tax	8,178	(10)	2,384	(5,399)	-	5,153

Other Information

Segment assets	62,387	1,458	24,606	2,986	-	91,437
Segment liabilities	9,803	263	-	62,901	-	72,967
Capital expenditure	7,940	95	-	-	-	8,035
Depreciation & amortisation	2,064	132	-	-	-	2,196

(All amounts are in Rs. millions unless otherwise stated)

March,2020

Particulars	Real estate development	Power distribution	Investment (treasury)	Unallocable	Inter segment elimination	Total
Segment revenue	17,223	692	2,461	-	(254)	20,122
Segment result	10,477	(10)	2,461	(373)	-	12,555
Finance cost	197	7	-	4,910	-	5,114
Employee benefit expenses	-	-	-	68	-	68
Interest income / other income	-	4	-	141	-	145
Profit / (Loss) before tax	10,280	(13)	2,461	(5,210)	-	7,518
Tax	-	-	-	2,379	-	2,379
Profit / (Loss) after tax	10,280	(13)	2,461	(7,589)	-	5,139

Other Information

Segment assets	78,070	1,712	26,944	5,498	-	112,224
Segment liabilities	10,831	1,146	-	77,332	-	89,309
Capital expenditure	16,275	254	-	-	-	16,529
Depreciation & amortisation	1,073	73	-	-	-	1,146

Secondary segment information

The Group's operations are based in India and therefore the Group has only one geographical segment - India.

Segment accounting policies are in line with accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting:

Segment revenue includes income directly attributable to the segment.

Revenue and expenses directly attributable to segments are reported under respective reportable segment.

Revenue and expenses which are not attributable or allocable to segments have been disclosed under 'Unallocable'.

Borrowings and finance cost of the Group are considered as 'Unallocable' and disclosed under 'Unallocable'.

SPV wise revenue from major customers:

	For the year ended		
Entity	**31 March 2020**	**31 March 2019**	**31 March 2018**
Avacado	629	582	495
Gigaplex	825	910	820
Intime	699	677	655
KRC Infra	72	-	-
KRIT	1,245	1,042	900
MBPPL	621	661	573
Sundew	471	406	333

(All amounts are in Rs. millions unless otherwise stated)

Additional financial disclosures as required under para 4 of SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016

49 Statement of Property Wise rental/Operating income

S.No	Entity Name	Property Name	Rental income and Other Operating income	For the year ended		
				31 March 2020	31 March 2019	31 March 2018
1	Mindspace Business Parks Private Limited (MBPPL)	Mindspace Airoli (East)	Rental income and Other Operating income and revenue from power supply	3,569	3,519	3,320
2	Mindspace Business Parks Private Limited (MBPPL)	Mindspace Pocharam	Rental income and Other Operating income	130	139	138
3	Mindspace Business Parks Private Limited (MBPPL)	Commerzone Yerwada	Rental income and Other Operating income	1,611	1,427	1,346
4	Mindspace Business Parks Private Limited (MBPPL)	The Square, Nagar Road	Rental income and Other Operating income	916	740	243
5	Gigaplex Estate Private Limited (Gigaplex)	Mindspace Airoli (West)	Rental income and Other Operating income and revenue from power supply	2,269	1,947	1,396
6	Sundew Properties Limited (Sundew)	Madhapur	Rental income and Other Operating income	2,992	2,910	2,722
7	Intime Properties Limited (Intime)	Madhapur	Rental income and Other Operating income	1,280	1,178	1,135
8	K. Raheja IT Park (Hyderabad) Limited (KRIT)	Madhapur	Rental income and Other Operating income	1,835	1,753	1,626
9	KRC Infrastructure and Projects Private Limited (KRC Infra)	Gera Commerzone Kharadi	Rental income and Other Operating income and revenue from power supply	2,296	7	-
10	Horizonview Properties Private Limited (Horizonview)	Chennai	Rental income and Other Operating income	-	-	-
11	Avacado Properties And Trading (India) Private Limited (Avacado)	Paradigm, Malad	Rental income and Other Operating income	762	696	705
	Total			**17,660**	**14,316**	**12,631**

(All amounts are in Rs. millions unless otherwise stated)

50 Earnings Per Unit (EPU)

The number of units that the Mindspace Business Parks Group will issue to investors in the proposed Initial Public Offer is not presently ascertainable. Hence, the disclosures in respect of Earnings per unit have not been presented.

51 Statement of Mindspace REIT's contingent liabilities and commitments

Refer note 45

52 Capitalisation Statement

	Amount	
Particulars	**Pre-issue as at 31 March 2020**	**As adjusted for Issue***
Borrowings**	74,163	-
Lease Liability	194	-
Gross debt	74,357	-
Less - Cash, cash equivalent	2,209	-
Adjusted net debt	72,148	-
Shareholders' Funds		
Capital	500	-
Instruments entirely equity in nature	824	-
Other equity	19,928	-
Non-controlling interest of Mindspace REIT	1,663	-
Total Shareholders' Funds	**22,915**	
Debt/Equity Ratio	**3.15**	-

Notes
* corresponding details post issue are not available, hence the required disclosures in respect of the same have not been provided in the above table.
**Borrowings comprises non-current and current borrowings and current maturities of long-term debt including interest accrued but not due.

53 History of Interest and Principal payments

Debt payment history

Particulars	**31 March 2020**	**31 March 2019**	**31 March 2018**
Carrying amount of debt at the beginning of the year	59,578	57,055	55,647
Additional borrowings during the year	43,090	23,965	15,067
Finance cost	6,290	5,356	5,040
Repayments during the year	(37,733)	(26,896)	(18,878)
Other adjustments/ settlements during the year	145	98	179
Carrying amount of debt at the end of the year	71,370	59,578	57,055
Reconciliation to balance sheet:			
Loans repayable on demand from body corporates	-	-	34
Buyer's credit from banks	-	-	310
Carrying amount of debt at the end of the year	**71,370**	**59,578**	**57,399**

Note: Debt excludes overdraft from banks

As represented by:

Long term borrowings	63,569	56,209	52,555
Current maturities of long-term debt	6,557	3,191	4,372
Interest accrued but not due on loans from			
- banks / financial institutions	94	116	78
- Others	-	-	1
Interest accrued and due	77	62	49
Loans repayable on demand from body corporates	-	-	34
Buyer's credit from banks	-	-	310
Short term borrowings (Term loan from banks)	750	-	-
Liability component of Preference shares	323	-	-
Total	**71,370**	**59,578**	**57,399**

(All amounts are in Rs. millions unless otherwise stated)

54 Non-controlling interest

Name of the entity	For the year ended 31 March 2020			
	Net assets		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated total comprehensive income	Amount
Parent				
Proposed holding of Mindspace Business Parks Group	92.7%	21,252	92.5%	4,747
Subsidiaries and step down subsidiaries				
Intime Properties Limited	2.1%	474	2.3%	119
K. Raheja IT Park (Hyderabad) Limited	3.7%	838	2.8%	145
Sundew Properties Limited	1.5%	351	2.5%	129
Combined net assets/ Total comprehensive income	**100%**	**22,915**	**100%**	**5,140**

Name of the entity	For the year ended 31 March 2019			
	Net assets		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated total comprehensive income	Amount
Parent				
Proposed holding of Mindspace Business Parks Group	92.8%	17,134	92.9%	4,789
Subsidiaries and step down subsidiaries				
Intime Properties Limited	1.9%	357	1.7%	89
K. Raheja IT Park (Hyderabad) Limited	3.9%	719	2.3%	117
Sundew Properties Limited	1.4%	260	3.1%	159
Combined net assets/ Total comprehensive income	**100.0%**	**18,470**	**100.0%**	**5,154**

Name of the entity	For the year ended 31 March 2018			
	Net assets		Share in profit or loss	
	As a % of consolidated net assets	Amount	As a % of consolidated total comprehensive income	Amount
Parent				
Proposed holding of Mindspace Business Parks Group	92.7%	12,574	92.1%	1,483
Subsidiaries and step down subsidiaries				
Intime Properties Limited	2.0%	269	2.6%	41
K. Raheja IT Park (Hyderabad) Limited	4.6%	629	6.5%	105
Sundew Properties Limited	0.7%	101	(1.2%)	(19)
Combined net assets/ Total comprehensive income	**100.0%**	**13,573**	**100.0%**	**1,610**

(All amounts are in Rs. millions unless otherwise stated)

54 Non-controlling interest (continued)

The following table summarises the financial information relating to subsidiaries which have material Non-controlling interest.

(i) **Intime Properties Limited**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Non-current assets	2,100	1,988	3,140
Current assets	5,945	4,915	3,013
Non-current liabilities	(2,927)	(2,946)	(2,880)
Current liabilities	(811)	(713)	(825)
Net assets	**4,307**	**3,244**	**2,448**
NCI	**11.0%**	**11.0%**	**11.0%**
Carrying amount of Non-controlling interests	**474**	**357**	**269**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Total comprehensive income for the year	1,080	813	375
Attributable to Non-controlling interest			
Total comprehensive income for the year	119	89	41
Cash flows from/ (used in) :			
Operating activities	90	75	74
Investing activities	(55)	(51)	(32)
Financing activities	(36)	(24)	(49)
Net increase/ (decrease) in cash and cash equivalents	**(1)**	**(0)**	**(7)**

(ii) **K. Raheja IT Park (Hyderabad) Limited**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Non-current assets	2,788	2,400	2,672
Current assets	10,662	9,859	8,980
Non-current liabilities	(4,578)	(4,835)	(4,969)
Current liabilities	(1,258)	(888)	(968)
Net assets	**7,614**	**6,536**	**5,715**
NCI	**11.0%**	**11.0%**	**11.0%**
Carrying amount of Non-controlling interests	**838**	**719**	**629**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Total comprehensive income for the year	1,319	1,062	952
Attributable to Non-controlling interest			
Total comprehensive income for the year	145	117	105
Cash flows from:			
Operating activities	100	94	82
Investing activities	0	(5)	(11)
Financing activities	(126)	(88)	(68)
Net increase in cash and cash equivalents	**(26)**	**1**	**3**

(All amounts are in Rs. millions unless otherwise stated)

(iii) **Sundew Properties Limited**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Non-current assets	12,734	10,663	9,730
Current assets	7,570	6,687	5,910
Non-current liabilities	(14,336)	(12,326)	(12,284)
Current liabilities	(2,778)	(2,662)	(2,435)
Net assets	**3,190**	**2,362**	**921**
NCI	**11.0%**	**11.0%**	**11.0%**
Carrying amount of Non-controlling interests	**351**	**260**	**101**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Total comprehensive income for the year	1,169	1,441	(171)
Attributable to Non-controlling interest			
Total comprehensive income for the year	129	159	(19)
Cash flows from/ (used in) :			
Operating activities	273	230	247
Investing activities	(269)	(155)	(120)
Financing activities	(20)	(74)	(186)
Net increase in cash and cash equivalents	**(16)**	**1**	**(59)**
Total carrying amount of NCI	**1,663**	**1,336**	**999**

55 Related party disclosures

A. Parties to Mindspace REIT (refer note below)

Particulars	**Name of Entities**	**Promoters/Partners**	**Directors**
Trustee	Axis Trustee Services Limited	-	-
Sponsors	Anbee Constructions LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
	Cape Trading LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L.Raheja Mrs. Jyoti C.Raheja	-
Manager	K Raheja Corp Investment Managers LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja	-
Sponsors Group (refer note below)	Mr. Chandru L. Raheja	-	-
	Mr. Ravi C. Raheja	-	-
	Mr. Neel C. Raheja	-	-
	Mrs. Jyoti C. Raheja	-	-
	Capstan Trading LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
	Casa Maria Properties LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
	Raghukool Estate Developement LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
	Palm Shelter Estate Development LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
	K. Raheja Corp Pvt. Ltd.	Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Raghukool Estate Developement LLP Palm Shelter Estate Development LLP Mr. Neel C. Raheja Jointly with Mr. Ramesh M. Valecha	Ravi C. Raheja Neel C. Raheja Ramesh Valecha Vinod Rohira

55 Related party disclosures

A. Parties to Mindspace REIT (refer note below)

Particulars	Name of Entities	Promoters/Partners	Directors
	Inorbit Malls (India) Private Limited	Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Raghukool Estate Developement LLP Palm Shelter Estate Development LLP Mr. Neel C. Raheja Jointly with Mr. Ramesh M. Valecha Ivory Properties & Hotels Pvt Ltd K Raheja Corp Private Limited	Ravi C. Raheja Neel C. Raheja Sunil Hingorani
	Ivory Properties and Hotels Private Limited	Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Raghukool Estate Developement LLP Palm Shelter Estate Development LLP	Ravi C. Raheja Neel C. Raheja Sunil Hingorani Ramesh Valecha
	Chalet Hotels Limited	Mr. Ravi C. Raheja Mr. Neel C. Raheja Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Raghukool Estate Developement LLP K Raheja Corp Private Limited K Raheja Private Limited Ivory Properties & Hotels Pvt Ltd Touchstone Properties and Hotes Pvt Ltd Genext Hardware and Parks Private Limited Ivory Properties and Hotels Pvt Ltd (for and on behalf of Beneficiaries Ivory Property Trust)	Ravi C. Raheja Neel C. Raheja Joseph Conrad Dsouza Hetal Gandhi Rajeev Newar Sanjay Sethi Radhika Piramal Arthur William De Haast

(All amounts are in Rs. millions unless otherwise stated)

55 Related party disclosures

A. Parties to Mindspace REIT (refer note below)

Particulars	Name of Entities	Promoters/Partners	Directors
	Ivory Property Trust	Chandru L. Raheja Jyoti C. Raheja Ivory Properties & Hotels Pvt Ltd Ravi C. Raheja Neel C. Raheja (all are trustees)	-
	Genext Hardware & Parks Pvt. Ltd.	Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Chandru L. Raheja jointly with Jyoti C. Raheja, behalf of Ivory Property Trust	Ravi C. Raheja Neel C. Raheja Ramesh Valecha
	K Raheja Private Limited	Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Raghukool Estate Developement LLP Palm Shelter Estate Development LLP	Ravi C. Raheja Neel C. Raheja Vinod Rohira

Note 1: Identified by the Management and as legally advised, on the basis of criteria specified in Regulation 4(2)(d)(i) of Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014, as amended and the circulars and guidance issued thereunder.

Note 2: Chalet upon sale of shares of Intime Properties is no longer a part of the Sponsor group and therefore not a related party as on March 31, 2020

Note 3: Kishore Bhatija has resigned from the directorship of Inrobit Malls (India) Private Limited w.e.f. December 31, 2019

(All amounts are in Rs. millions unless otherwise stated)

55 B. Sponsors, directors and partners of the persons in clause A.

I List of related parties as per the requirements of Ind AS 24- Related Party Disclosures

The list of related parties and their transactions given in these Condensed Combined Financial Statements are a line-by-line combination of all the SPVs in the Group subject to elimination for transactions and balances between the SPVs.

(i) Names of related parties and description of relationship by SPV and Trust.

MBPPL	**Subsidiary companies**	Dices Realcon Private Limited	Educator Protech Private Limited	Happy Eastcon Private Limited	Sampada Eastpro Private Limited					
	Key Management Personnel (KMP)	Vinod Rohira	Arvind D Prabhu	Sunil Hingorani	Siddhartha Gupta					
	Others	Brookfields Agro And Development Private Limited	Magna Warehousing & Distribution Private Limited	Newfound Properties And Leasing Private Limited	Stargaze Properties Private Limited	Trion Properties Private Limited	Imperial Serviced Offices & Property Management Private Limited	Inorbit Malls (India) Private Limited	Ivory Properties & Hotels Private Limited	
	Others	K Raheja Corp Private Limited	K Raheja Corporate Services Private Limited	K Raheja Private Limited	Chalet Limited	Paradigm logistic & distribution Private Limited	K Raheja Corp Investment Managers LLP	Anbee Constructions LLP	Cape Trading LLP	
Gigaplex	**Holding Company**	K. Raheja Corp Private Limited								
	Fellow Subsidiaries	K. Raheja Corporate Services Private Limited								
	Key Management Personnel (KMP)	Ravi C. Raheja	Neel C. Raheja	Vinod Rohira						
	Enterprise over which KMP has control or joint control	Brookfields Agro & Devel opment Private. Limited								
	Others	Aqualine Real Estate Private Limited	Grange Hotels and Properties Private Limited	Convex Properties Private Limited	Novel Properties Private Limited	Paradigm Logistics & Distribution Private Limited	Cavalcade Properties Private Limited	Immense Properties Private Limited	Pact Real Estate Private Limited	Anbee Constructions LLP
	Others	Genext Hardware & Parks Private. Limited	Hypercity Retail (India) Limited	Imperial Serviced Offices & Property Management Private. Limited	Inorbit Malls (India) Private.Limited	Ivory Properties & Hotels Private Limited	J. T. Holdings Private Limited	K Raheja Private.Limited (4 September 2017)	Newfound Properties And Leasing Private. Limited	Cape Trading LLP
Sundew	**Key Management Personnel (KMP)**	Ravi C. Raheja	Neel C. Raheja	Vinod Rohira	Siddhartha Gupta	Vishal Masand (w.e.f. 23 June 2015 to 14 March 2019)	Yasin Virani (till 15 March 2019)	Venkat Narsimha Reddy Ettireddy (w.e.f. 23 June 2015)	Preeti chedda (wef 28 September 2018)	
	Enterprise over which KMP has control or joint control	Pact Real Estate Private Limited								
	Others	Chalet Hotels Limited	K.Raheja Corporate Services Private Limited	Newfound Properties And Leasing Private Limited (from 31 May 2017)	K. Raheja foundation	Imperial Serviced Offices & Property Management Private Limited (Till March 2018)	K Raheja Private Limited (Till March 2018)	Paradigm Logistics & Distribution Private Limited (Till March 2018)	Shoppers Stop Limited	
	Others	Stargaze Properties Private Limited (Till March 2018)	Genext Hardware & Parks Private. Limited	Ivory Properties & Hotels Private Limited	Cape Trading LLP	Anbee Constructions LLP				

MINDSPACE BUSINESS PARKS GROUP (AS DEFINED IN NOTE 1)
Condensed Combined Financial Statements
Notes to Accounts
(All amounts are in Rs. millions unless otherwise stated)

Intime	**Key Management Personnel (KMP)**	Ravi C. Raheja	Neel C. Raheja	Vinod Rohira	Venkat Narsimha Reddy Ettireddy (TSIIC)	Ms. Preeti Chheda (appointed from 13 December 2018)	Vishal Kumar Masand (resigned from 14 March 2019)	Yasin E. Virani (resigned from 15 March 2019)	Siddhartha Gupta	
	Others	Chalet Hotels Limited	Genext Hardware & Parks Private Limited	K.Raheja Corporate Services Private Limited	Newfound Properties And Leasing Private Limited	Shoppers Stop Limited	K Raheja Private Limited	Immense Properties Private Limited (Till March 2018)	Imperial Serviced Offices & Property Management Private Limited (Till March 2018)	J. T. Holdings Private Limited (Till March 2018)
	Others	Novel Properties Private Limited (Till March 2018)	Ivory Properties & Hotels Private Limited	Anbee Constructions LLP	Cape Trading LLP					
KRIT	**Key Management Personnel (KMP)**	Neel C. Raheja	Ravi C.Raheja	Vinod Rohira	Venkat Narsimha Reddy Ettireddy (TSIIC)	Siddhartha Gupta	Preeti Chedda (wef 13 December 2018)	Yasin E. Virani (Till 15 March 2019)	Vishal Kumar Masand (Till 14 March 2019)	
	Subsidiaries of shareholder	K.Raheja Corporate Services Private Limited								
	Associates of shareholder	Imperial Serviced Offices & Property Management Private Limited	Stargaze Properties Private Limited							
	Relatives of KMP	Meera Rohira	Chandru L. Raheja							
	Others	Carin Properties Private Limited	Chalet Hotels Limited	Genext Hardware & Parks Private Limited	K Raheja PrivateLimited	Newfound Properties And Leasing Private Limited	Shoppers Stop Limited	Trion Properties Private Limited	Paradigm Logistics & Distribution Private Limited (Till March 2018)	Hypercity Retail India Limited (Till March 2018)
	Others	Anbee Constructions LLP	Cape Trading LLP	Ivory Properties & Hotels Private Limited						
Horizonview	**Key Management Personnel (KMP)**	Neel C.Raheja	Ravi C.Raheja	Ivory Properties & Hotels Private Limited						
	Others	Louisiana Investment & Finance Private Limited (Till March 2018)	K. Raheja Corporate Services Private Limited	K. Raheja Private Limited (from 04 September 2017 to March 2018)	Sycamore Properties Private Limited	Anbee Constructions LLP	Cape Trading LLP			
Avacado	**Key Management Personnel (KMP)**	Sunil Hingorani	Mohan Almal	Siddharth Gupta						
	Others	K Raheja Corporate Services Private Limited	Newfound Properties and Leasing Private Limited	Trion Properties Private Limited (Till March 2018)	Imperial Serviced Offices & Property Management Private Limited (from 31 March 2018)	K Raheja Corp Private Limited (Till March 2018)	Paradigm Logistics & Distribution Private Limited (Till March 2018)	Pact Real Estate Private Limited (Till March 2018)	Aqualine Properties Private Limited (Till March 2018)	Aqualine Real Estate Private Limited (Till March 2018)
	Others	Convex Properties Private Limited (Till March 2018)	Grange Hotels & Properties Private Limited (Till March 2018)	Ivory Property Trust (Till March 2018)	Ivory Properties & Hotels Private Limited	Nandlal Rohira	Stargaze Properties Private Limited (Till March 2018)	Anbee Constructions LLP	Cape Trading LLP	
KRC Infra	**Others**	Chalet Hotels Limited	Newfound Properties and Leasing Private Limited	Anbee Constructions LLP	Cape Trading LLP	K Raheja Corp Private Limited	K Raheja Private Limited	Stargaze Properties Private Limited	Trion Properties Private Limited	
	Subsidiary of shareholder	K.Raheja Corporate Services Private Limited								
Mindspace Business Parks REIT	**Sponsors**	Anbee Constructions LLP	Cape Trading LLP							
	Managers	K. Raheja Corp Investment Manager LLP								
	Others	Ivory Properties & Hotels Pvt Ltd	K Raheja Private Limited	K. Raheja Corp Pvt Ltd	M/s Bobby Parikh Associates					

(All amounts are in Rs. millions unless otherwise stated)

55 Related party transactions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Borrowings taken			
Trion Properties Private Limited	-	-	229
Borrowings repaid			
Trion Properties Private Limited	-	34	513
Loans given			
Aqualine Real Estate Private Limited	50	-	-
Cavalcade Properties Private Limited	1,548	-	-
Convex Properties Private Limited	190	-	-
Dices Realcon Private Limited	-	-	0
Educator Protech Private Limited	-	-	0
Grange Hotels & Properties Private Limited	105	-	-
Happy Eastcon Private Limited	-	-	0
Immense Properties Private Limited	1,594	-	-
K. Raheja Corp Private Limited	-	-	11
Newfound Properties and Leasing Private Limited	15,142	15,469	8,510
Novel Properties Private Limited	370	-	-
Pact Real Estate Private Limited	4,232	-	-
Paradigm Logistics & Distribution Private Limited	1,614	-	-
Sampada Eastpro Private Limited	-	-	0
K Raheja Private Limited	280	-	-
Loans repaid			
Dices Realcon Private Limited	-	0	-
Educator Protech Private Limited	-	0	-
Happy Eastcon Private Limited	-	0	-
Inorbit Malls (India) Private Limited	9,702	-	-
K. Raheja Corp Private Limited	-	11	-

(All amounts are in Rs. millions unless otherwise stated)

55 Related party transactions

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Newfound Properties and Leasing Private Limited	14,379	15,586	8,479
Paradigm Logistics & Distribution Private Limited	280	-	-
Sampada Eastpro Private Limited	-	0	-
Project Management Services/ business support services expenses			
K Raheja Corporate Services Private Limited	1,263	1,188	1,040
Property maintenance expense			
Newfound Properties and Leasing Private Limited	968	829	643
Property maintenance income			
Vinod K Rohira	0	-	-
Imperial Serviced Offices & Property Management Private Limited	4	4	4
K Raheja Corporate Services Private Limited	12	11	10
Interest Expense			
K Raheja Corporate Services Private Limited	1	1	5
Trion Properties Private Limited	-	2	-
Interest income			
Aqualine Real Estate Private Limited	4	-	-
Cavalcade Properties Private Limited	125	-	-
Convex Properties Private Limited	15	-	-
Dices Realcon Private Limited	-	0	0
Educator Protech Private Limited	-	0	0
Grange Hotels & Properties Private Limited	8	-	-
Happy Eastcon Private Limited	-	0	0
Immense Properties Private Limited	129	-	-
Inorbit Malls (India) Private Limited	563	1,284	1,163
J. T. Holdings Private Limited	90	86	77
K Raheja Corporate Services Private Limited	-	-	0
K Raheja Private Limited	167	138	125
K. Raheja Corp Private Limited	-	1	2
Newfound Properties and Leasing Private Limited	880	876	825
Novel Properties Private Limited	30	-	-
Pact Real Estate Private Limited	342	-	-
Paradigm Logistics & Distribution Private Limited	108	-	-
Sampada Eastpro Private Limited	-	0	0
Trion Properties Private Limited	-	-	18

(All amounts are in Rs. millions unless otherwise stated)

55 Related party transactions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Royalty Expenses			
Anbee Constructions LLP	7	-	-
Cape Trading LLP	7	-	-
Newfound Properties and Leasing Private Limited	1	-	-
K Raheja Corporate Services Private Limited	-	-	0
K Raheja Private Limited	1	-	7
K. Raheja Corp Private Limited	1	-	1
Ivory Properties & Hotels Private Limited	2	-	29
Miscellaneous expenses			
Chalet Hotels Limited	0	0	-
Trion Properties Private Limited	-	-	0
Rates & Taxes			
Trion Properties Private Limited	-	0	-
Business promotion expenses			
Chalet Hotels Limited	0	0	1
Hypercity Retail (India) Limited	-	-	0
Shoppers Stop Limited	-	-	0
Sale of materials / scrap			
Powai developers	0	-	-
Inorbit Malls (India) Private Limited	-	0	0
Newfound Properties and Leasing Private Limited	0	0	3
Sale of assets			
Sycamore Properties Private Limited	1	-	-
Paradigm Logistics & Distribution Private Limited	-	1	-
Purchase of building materials			
Genext Hardware & Parks Private Limited	-	5	-
Ivory Properties & Hotels Private Limited	-	0	-
Newfound Properties and Leasing Private Limited	0	7	11
Genext Hardware & Parks Private Limited	-	-	0
Chalet Hotels Limited	1	-	-
Purchase of Asset			
Newfound Properties and Leasing Private Limited	-	3	-
Rent Expenses			
Genext Hardware & Parks Private Limited	12	12	12

(All amounts are in Rs. millions unless otherwise stated)

55 Related party transactions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent Income			
Imperial Serviced Offices & Property Management Private Limited	15	12	12
K Raheja Corporate Services Private Limited	18	18	18
K. Raheja Corp Private Limited	-	-	-
Newfound Properties and Leasing Private Limited	-	4	4
Royalty Income			
K Raheja Corp Investment Managers LLP	1	-	-
Repairs and maintenance expense			
Chalet Hotels Limited	-	-	0
Compensation paid			
Imperial Serviced Offices & Property Management Private Limited	-	-	1
Directors' Sitting Fees			
Ms. Preeti Chheda	0	0	-
Neel C.Raheja	0	0	0
Ravi C.Raheja	0	0	0
Venkat Narsimha Reddy Ettireddy (TSIIC)	0	0	0
Vinod N. Rohira	0	0	0
Siddhartha Gupta	0	-	-
Vishal Kumar Masand	-	0	0
Yasin E. Virani	-	0	0
Donations paid			
K Raheja Foundation	-	0	-
Licence fees			
Newfound	5	-	-
Legal, Professional and other fees			
K. Raheja Corp Investment Manager LLP (*)	31	-	-
Filing and stamping fees			
K. Raheja Corp Investment Manager LLP	13	-	-
Sitting fees			
Sitting fees	-	1	0
Reimbursement of expenses			
Chalet Hotels Limited	27	-	-
Staff Imprest			
Vinod Rohira	0	-	0

* It includes reimbursement for professional services of Rs. 1 million to M/s Bobby Parikh Associates.

(All amounts are in Rs. millions unless otherwise stated)

55 **Related party balances**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Trade Payables			
Chalet Hotels Limited	1	-	0
Chandru L. Raheja	-	-	0
Genext Hardware & Parks Private Limited	3	-	9
Imperial Serviced Offices & Property Management Private Limited	-	-	1
K Raheja Corporate Services Private Limited	119	81	107
K. Raheja Corp Private Limited	-	0	0
K. Raheja Corp Investment Manager	48	-	-
Newfound Properties and Leasing Private Limited	46	109	89
Trion Properties Private Limited	-	0	-
Vinod Rohira	-	-	0
Vishal Kumar Masand	-	0	-
Trade Receivables			
Carin Properties Private Limited	0	0	0
Imperial Serviced Offices & Property Management Private Limited	0	0	0
Inorbit Malls (India) Private Limited	-	-	0
K Raheja Corporate Services Private Limited	12	9	9
Meera Rohira	-	-	0
Newfound Properties and Leasing Private Limited	0	-	-
Powai developers	0	-	-
Borrowings			
Trion Properties Private Limited	-	-	34
Loans			
Dices Realcon Private Limited	-	-	0
Educator Protech Private Limited	-	-	0
Happy Eastcon Private Limited	-	-	0
Inorbit Malls (India) Private Limited	1,370	11,073	11,073
J. T. Holdings Private Limited	738	738	738
K Raheja Private Limited	1,470	1,190	1,190
K. Raheja Corp Private Limited	-	-	11
Newfound Properties and Leasing Private Limited	8,763	8,000	8,117
Pact Real Estate Private Limited	4,232	-	-
Paradigm Logistics & Distribution Private Limited	1,334	-	-
Novel Properties Private Limited	370	-	-
Sampada Eastpro Private Limited	-	-	0
Grange Hotels& Properties Private Limited	105	-	-
Immense Properties Private Limited	1,594	-	-
Cavalcade Properties Private Limited	1,548	-	-
Convex Properties Private Limited	190	-	-
Aqualine Real Estate Private Limited	50	-	-
Interest Payable			
K Raheja Corporate Services Private Limited	1	-	-

(All amounts are in Rs. millions unless otherwise stated)

55 **Related party balances**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Interest receivable			
Inorbit Malls (India) Private Limited	2,959	2,400	1,157
J. T. Holdings Private Limited	249	160	77
K Raheja Private Limited	424	258	124
K. Raheja Corp Private Limited	-	0	0
Newfound Properties and Leasing Private Limited	793	788	743
Sampada Eastpro Private Limited	-	-	0
Pact Real Estate Private Limited	338	-	-
Paradigm Logistics & Distribution Private Limited	107	-	-
Novel Properties Private Limited	30	-	-
Immense Properties Private Limited	127	-	-
Grange Hotels & Properties Private Limited	8	-	-
Convex Properties Private Limited	15	-	-
Cavalcade Properties Private Limited	124	-	-
Aqualine Real Estate Private Limited	4	-	-
Nandlal Rohira	-	0	-
Deposits (Liability)			
Imperial Serviced Offices & Property Management Private Limited	7	6	6
Newfound Properties and Leasing Private Limited	2	2	2
K.Raheja Corporate Services Private Limited	9	-	-
K. Raheja Corp Private Limited	2	-	-
Chalet Hotels Limited	44	-	-
Deposits Refundable (Asset)			
Ivory Properties & Hotels Private Limited	16	16	16
Advances to vendor (Asset)			
Chalet Hotels Limited	0	5	0
Inorbit Malls (India) Private Limited	-	-	-
Newfound Properties and Leasing Private Limited	18	1	2
Travel Advance			
Vinod Rohira	-	1	1
Sitting fees payable	0	-	-
Staff Imprest			
Vinod Rohira	-	0	0
Option deposit			
Chalet Hotels Limited	5	-	-
Other receivables			
Chalet Hotels Limited	33	1	1
Trion Properties Private Limited	2	2	2
Other payables			
K. Raheja Corp Investment Manager LLP (*)	48	-	-

* It includes reimbursement for professional services of Rs. 1 million payable to M/s Bobby Parikh Associates.

Mindspace Business Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
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(All amounts are in Rs. millions unless otherwise stated)

55 Related party transactions (SPVs within Mindspace Group) *

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Loan Given				
Avacado Properties and Trading (India) Private Limited	Gigaplex Estate Private Limited	1,266	1,067	860
Avacado Properties and Trading (India) Private Limited	Horizonview Properties Private Limited	-	-	0
Avacado Properties and Trading (India) Private Limited	KRC Infrastructure and Projects Private Limited	3,625	-	-
K. Raheja IT Park (Hyderabad) Limited	Gigaplex Estate Private Limited	3,690	1,767	2,670
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	20,598	8,451	4,316
Mindspace Business Parks Pvt Ltd	Horizonview Properties Private Limited	2,630	1,402	974
Mindspace Business Parks Pvt Ltd	KRC Infrastructure and Projects Private Limited	11,056	3,851	1,811
Mindspace Business Parks Pvt Ltd	Sundew Properties Limited	1,300	-	-
Intime Properties Limited	KRC Infrastructure and Projects Private Limited	5,765	4,264	-
Krc Infrastructure & Projects Private Limited	Horizonview Properties Private Limited	5	-	-
Loan Repaid				
Avacado Properties and Trading (India) Private Limited	Gigaplex Estate Private Limited	4,218	1,096	876
Avacado Properties and Trading (India) Private Limited	Horizonview Properties Private Limited	-	0	-
Avacado Properties and Trading (India) Private Limited	KRC Infrastructure and Projects Private Limited	2,121	-	-
K. Raheja IT Park (Hyderabad) Limited	Gigaplex Estate Private Limited	2,927	1,001	1,044
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	18,604	6,142	7,238
Mindspace Business Parks Pvt Ltd	Horizonview Properties Private Limited	759	-	43
Mindspace Business Parks Pvt Ltd	KRC Infrastructure and Projects Private Limited	10,700	5,975	20
Mindspace Business Parks Pvt Ltd	Sundew Properties Limited	1,300	-	-
Intime Properties Limited	KRC Infrastructure and Projects Private Limited	5,595	1,069	-
Borrowing Taken				
Gigaplex Estate Private Limited	Avacado Properties and Trading (India) Private Limited	1,266	1,067	860
Gigaplex Estate Private Limited	K. Raheja IT Park (Hyderabad) Limited	3,690	1,815	2,670
Gigaplex Estate Private Limited	Mindspace Business Parks Private Limited	20,598	8,451	4,316
Horizonview Properties Private Limited	Avacado Properties and Trading (India) Private Limited	-	-	0
Horizonview Properties Private Limited	Mindspace Business Parks Pvt Ltd	2,630	1,402	974
Horizonview Properties Private Limited	KRC Infrastructure and Projects Private Limited	5	-	-
KRC Infrastructure and Projects Private Limited	Mindspace Business Parks Pvt Ltd	11,056	3,851	1,811
KRC Infrastructure and Projects Private Limited	Intime Propertis Limited	5,765	4,264	-
KRC Infrastructure and Projects Private Limited	Avacado Properties and Trading (India) Private Limited	3,625	-	-
Sundew Propeties Ltd	Mindspace Business Parks Pvt Ltd	1,300	-	-
Borrowing Repaid				
Gigaplex Estate Private Limited	Avacado Properties and Trading (India) Private Limited	4,218	1,096	876
Gigaplex Estate Private Limited	K. Raheja IT Park (Hyderabad) Limited	2,927	1,048	1,044
Gigaplex Estate Private Limited	Mindspace Business Parks Pvt Ltd	18,604	6,142	7,238
Horizonview Properties Private Limited	Mindspace Business Parks Pvt Ltd	759	-	43
Horizonview Properties Private Limited	Avacado Properties and Trading (India) Private Limited	-	0	-
KRC Infrastructure and Projects Private Limited	Mindspace Business Parks Pvt Ltd	10,700	5,975	20
KRC Infrastructure and Projects Private Limited	Intime Propertis Limited	5,595	1,069	-
Krc Infrastructure & Projects Private Limited	Avacado Properties And Trading (India) Private Limited	2,121	-	-
Sundew Propeties Ltd	Mindspace Business Parks Pvt Ltd	1,300	-	-
Interest Expense				
Gigaplex Estate Private Limited	Avacado Properties And Trading (India) Private Limited	190	428	408
Gigaplex Estate Private Limited	K. Raheja IT Park (Hyd) Limited	975	908	787
Gigaplex Estate Private Limited	Mindspace Business Parks Pvt Ltd	565	398	397
Horizonview Properties Private Limited	KRC Infrastructure & Projects Private Limited	0	-	-
Horizonview Properties Private Limited	Mindspace Business Parks Pvt Ltd	433	265	132
Horizonview Properties Private Limited	Avacado Properties And Trading (India) Private Limited	-	0	0
KRC Infrastructure & Projects Private Limited	Avacado Properties And Trading (India) Private Limited	101	-	-
KRC Infrastructure & Projects Private Limited	Intime Properties Limited	262	183	-
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	109	171	115
Sundew Propeties Ltd	Mindspace Business Parks Pvt Ltd	3	-	-

Mindspace Business Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
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(All amounts are in Rs. millions unless otherwise stated)

55 Related party transactions (SPVs within Mindspace Group) *

Particulars		**For the year ended 31 March 2020**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Interest Income				
Avacado Properties And Trading (India) Private Limited	Gigaplex Estate Private Limited	190	428	408
Avacado Properties And Trading (India) Private Limited	KRC Infrastructure & Projects Private Limited	101	-	-
Avacado Properties And Trading (India) Private Limited	Horizonview Properties Private Limited	-	0	0
Intime Propertis Limited	Krc Infrastructure & Projects Private Limited	262	183	-
K Raheja IT Park (HYD) Limited	Gigaplex Estate Private Limited	975	908	787
KRC Infrastructure & Projects Private Limited	Horizonview Properties Private Limited	0	-	-
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	565	398	397
Mindspace Business Parks Pvt Ltd	Horizonview Properties Private Limited	433	265	132
Mindspace Business Parks Pvt Ltd	KRC Infrastructure & Projects Private Limited	109	171	115
Mindspace Business Parks Pvt Ltd	Sundew Properties Limited	3	-	-
Maintenance Expenses				
K Raheja IT Park (HYD) Limited	Intime Properties Limited	2	1	-
Purchase of Power				
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	15	-	-
Rent Expenses				
Intime Propertis Limited	K. Raheja IT Park (Hyd) Limited	0	0	0
Intime Propertis Limited	Sundew Properties Limited	1	1	0
K Raheja IT Park (HYD) Limited	Sundew Properties Limited	0	0	0
Royality expense				
Avacado Properties And Trading (India) Private Limited	Mindspace Business Parks Pvt Ltd	1	-	-
Mindspace Business Parks REIT	Mindspace Business Parks Pvt Ltd	1	-	-
Purchase materials				
KRC Infrastructure and Projects Private Limited	Mindspace Business Parks Pvt Ltd	-	0	0
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	-	1	-
Mindspace Business Parks Pvt Ltd	KRC Infrastructure and Projects Private Limited	-	0	0
Gigaplex Estate Private Limited	Mindspace Business Parks Pvt Ltd	-	-	11
Mindspace Business Parks Pvt Ltd	Sundew Properties Limited	-	-	1
Purchase of Fixed Assets				
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	-	1	-
Mindspace Business Parks Pvt Ltd	Sundew Properties Limited	-	5	1
Other expenses				
K. Raheja IT Park (Hyderabad) Limited	Mindspace Business Parks Pvt Ltd	-	-	0
Maintenance income				
Intime Propertis Limited	K. Raheja IT Park (Hyd) Limited	2	1	-
Rent Income				
K Raheja IT Park (HYD) Limited	Intime Properties Limited	0	0	0
Sundew Propeties Ltd	Intime Properties Limited	1	1	0
Sundew Propeties Ltd	K. Raheja IT Park (Hyd) Limited	0	0	0
Royalty income				
Mindspace Business Parks Pvt Ltd	Avacado Properties And Trading (India) Private Limited	1	-	-
Mindspace Business Parks Pvt Ltd	Mindspace Business Parks REIT	1	-	-
Sale of power				
Mindspace Business Parks Pvt Ltd	Krc Infrastructure & Projects Private Limited	15	-	-
Sale of assets/ Material				
Sundew Properties Limited	Mindspace Business Parks Pvt Ltd	-	5	3
Gigaplex Estate Private Limited	Mindspace Business Parks Pvt Ltd	-	2	-
KRC Infrastructure and Projects Private Limited	Mindspace Business Parks Pvt Ltd	-	0	0
Mindspace Business Parks Pvt Ltd	KRC Infrastructure and Projects Private Limited	-	0	0
Other income				
Mindspace Business Parks Pvt Ltd	K. Raheja IT Park (Hyderabad) Limited	-	-	0
Sale of scrap				
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	-	-	11

* As per the ICDR Regulations,additinoal disclosure for eliminated related party transactions

Mindspace Business Parks Group (As Defined In Note 1)
Condensed Combined Financial Statements
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(All amounts are in Rs. millions unless otherwise stated)

55 Related party balances (SPVs within Mindspace Group) *

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest Payable				
Gigaplex Estate Private Limited	Avacado Properties And Trading (India) Private Limited	171	385	367
Gigaplex Estate Private Limited	K. Raheja IT Park (Hyd) Limited	878	817	708
Gigaplex Estate Private Limited	Mindspace Business Parks Pvt Ltd	527	358	366
Horizonview Properties Private Limited	KRC Infrastructure & Projects Private Limited	0	-	-
Horizonview Properties Private Limited	Mindspace Business Parks Pvt Ltd	401	239	123
Horizonview Properties Private Limited	Avacado Properties And Trading (India) Private Limited	-	0	0
KRC Infrastructure & Projects Private Limited	Avacado Properties And Trading (India) Private Limited	91	-	-
KRC Infrastructure & Projects Private Limited	Intime Properties Limited	236	165	-
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	98	154	108
Sundew Propeties Ltd	Mindspace Business Parks Pvt Ltd	2	-	-
Interest Receivable				
Avacado Properties And Trading (India) Private Limited	Gigaplex Estate Private Limited	171	385	367
Avacado Properties And Trading (India) Private Limited	Krc Infrastructure & Projects Private Limited	91	-	-
Avacado Properties And Trading (India) Private Limited	Horizonview Properties Private Limited	-	0	0
Intime Propertis Limited	KRC Infrastructure & Projects Private Limited	236	165	-
K Raheja IT Park (HYD) Limited	Gigaplex Estate Private Limited	878	817	708
KRC Infrastructure & Projects Private Limited	Horizonview Properties Private Limited	0	-	-
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	527	358	366
Mindspace Business Parks Pvt Ltd	Horizonview Properties Private Limited	401	239	123
Mindspace Business Parks Pvt Ltd	KRC Infrastructure & Projects Private Limited	98	154	108
Mindspace Business Parks Pvt Ltd	Sundew Properties Limited	2	-	-
Borrowings				
Avacado Properties And Trading (India) Private Limited	Gigaplex Estate Private Limited	786	3,738	3,767
Avacado Properties And Trading (India) Private Limited	KRC Infrastructure & Projects Private Limited	1,503	-	-
Avacado Properties and Trading (India) Private Limited	Horizonview Properties Private Limited	-	-	0
Intime Propertis Limited	KRC Infrastructure & Projects Private Limited	3,365	3,195	-
K Raheja IT Park (HYD) Limited	Gigaplex Estate Private Limited	9,590	8,827	8,061
KRC Infrastructure & Projects Private Limited	Horizonview Properties Private Limited	5	-	-
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	6,791	4,797	2,488
Mindspace Business Parks Pvt Ltd	Horizonview Properties Private Limited	5,152	3,282	1,879
Mindspace Business Parks Pvt Ltd	KRC Infrastructure & Projects Private Limited	540	183	2,308
Loans (asset)				
Gigaplex Estate Private Limited	Avacado Properties And Trading (India) Private Limited	786	3,738	3,767
Gigaplex Estate Private Limited	K. Raheja IT Park (Hyd) Limited	9,590	8,827	8,061
Gigaplex Estate Private Limited	Mindspace Business Parks Pvt Ltd	6,791	4,797	2,488
Horizonview Properties Private Limited	KRC Infrastructure & Projects Private Limited	5	-	-
Horizonview Properties Private Limited	Mindspace Business Parks Pvt Ltd	5,152	3,282	1,879
Horizonview Properties Private Limited	Avacado Properties And Trading (India) Private Limited	-	-	0
KRC Infrastructure & Projects Private Limited	Avacado Properties And Trading (India) Private Limited	1,503	-	-
KRC Infrastructure & Projects Private Limited	Intime Properties Limited	3,365	3,195	-
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	540	183	2,308
Trade Payable				
K Raheja IT Park (HYD) Limited	Intime Properties Limited	0	1	-
Intime Propertis Limited	K. Raheja IT Park (Hyd) Limited	0	0	0
Intime Propertis Limited	Sundew Properties Limited	0	-	0
K Raheja IT Park (HYD) Limited	Sundew Properties Limited	0	-	-
Sundew Propeties Ltd	Intime Properties Limited	2	2	2
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Private Limited	0	0	-
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	-	-	0
Mindspace Business Parks Private Limited	KRC Infrastructure and Projects Private Limited	-	-	0
Trade Receivable				
Intime Propertis Limited	K. Raheja IT Park (Hyd) Limited	0	1	-
K Raheja IT Park (HYD) Limited	Intime Properties Limited	0	0	0
Sundew Propeties Ltd	Intime Properties Limited	0	-	0
Sundew Propeties Ltd	K. Raheja IT Park (Hyd) Limited	0	-	-
Intime Propertis Limited	Sundew Properties Limited	2	2	2
Gigaplex Estate Private Limited	Mindspace Business Parks Pvt Ltd	0	0	-
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	-	-	0
Mindspace Business Parks Private Limited	KRC Infrastructure and Projects Private Limited	-	-	0
Non fund based facilities provided				
Mindspace Business Parks Pvt Ltd	KRC Infrastructure & Projects Private Limited	26	183	-
Mindspace Business Parks Pvt Ltd	Horizonview Properties Private Limited	154	154	-
Mindspace Business Parks Pvt Ltd	Gigaplex Estate Pvt Ltd	75	19	-
Mindspace Business Parks Pvt Ltd	Sundew Properties Limited	3	-	-
Shortfall undertaking given				
Mindspace Business Parks Pvt Ltd	KRC Infrastructure & Projects Private Limited	4,161	1,739	-
Corporate guarantee given				
Mindspace Business Parks Pvt Ltd	Horizonview Properties Private Limited	750	-	-
Non fund based facilities taken				
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	26	183	-
Horizonview Properties Private Limited	Mindspace Business Parks Pvt Ltd	154	154	-
Gigaplex Estate Pvt Ltd	Mindspace Business Parks Pvt Ltd	75	19	-
Sundew Properties Limited	Mindspace Business Parks Pvt Ltd	3	-	-
Shortfall undertaking taken				
KRC Infrastructure & Projects Private Limited	Mindspace Business Parks Pvt Ltd	4,161	1,739	-
Corporate guarantee taken				
Horizonview Properties Private Limited	Mindspace Business Parks Pvt Ltd	750	-	-

* As per the ICDR Regulations,additinoal disclosure for eliminated related party balances

56 "0" Represents value less than Rs. 0.5 million.

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Summary Valuation Report:
Portfolio of Mindspace Business Parks REIT

Date of Valuation: 31 March 2020
Date of Report: 10 June 2020

Submitted to:
K Raheja Corp Investment Managers LLP

Disclaimer

This report is prepared exclusively for the benefit and use of K Raheja Corp Investment Managers LLP ("Recipient" or "Entity" or "Manager") and / or its associates and, other than publication in offering document(s) and advertisement related materials prepared for the proposed initial public offer of units by Mindspace Business Parks REIT ("Mindspace REIT") does not carry any right of publication to any other party. The Entity is the investment manager to Mindspace Business Parks REIT, a Real Estate Investment Trust under the Securities and Exchanges Board of India (Real Estate Investment Trust), 2014 and amended till date ("SEBI REIT Regulations"). The Manager may share the report with its appointed advisors for any statutory or reporting requirements, in connection with the proposed initial public offer of units by Mindspace REIT. *Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 29 July 2019 without the prior written consent of the Valuer.*

The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the Manager has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.

This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 29 July 2019. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.

This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.

Contents

1 Instruction

1.1 INSTRUCTING PARTY

K Raheja Corp Investment Managers LLP (hereinafter referred to as "the Instructing Party" or "the Client"), in its capacity as the Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed Mr. Shubhendu Saha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the "Valuer"), in order to undertake the valuation of properties comprising commercial office real estate assets located across Mumbai, Hyderabad, Pune and Chennai as well as incidental or ancillary activities including a facility management business and power distribution facility (together herein referred as "Subject Properties", as mentioned below):

S. No.	Location	Leasable area (Million sq. ft.)
1	Mindspace Madhapur, Hyderabad	10.6
2	Mindspace Airoli East, Navi Mumbai	6.8
3	Mindspace Airoli West, Navi Mumbai	4.5
4	Paradigm Mindspace Malad, Mumbai	0.7
5	The Square, BKC, Mumbai	0.1
6	Commerzone Yerwada, Pune	1.7
7	Gera Commerzone Kharadi, Pune	2.6
8	The Square, Nagar Road, Pune	0.7
9	Commerzone Porur, Chennai	0.8
10	Mindspace Pocharam, Hyderabad	1.0

The Subject Properties comprise of land for future development or part of which may be considered for sale. The same have been valued separately.

The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Section 1.7 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

1.2 PURPOSE AND DATE OF VALUATION

It is understood the purpose of this valuation exercise is for the initial public offering of units by the Mindspace REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 ("SEBI REIT Regulations"), as amended, together with circulars, clarifications, guidelines and notifications issued thereunder by SEBI.

With respect to the aforementioned initial public offering, this valuation summary ("Summary Valuation Report") is intended to be included in the offer document to be filed by Mindspace REIT with SEBI and the stock exchanges where the units of the REIT are intended to be listed. Additionally, any other relevant documents for the initial public offer such as publicity material, research reports, presentation and press releases may also contain this report or any part thereof. This Summary Valuation Report is a summary of the valuation reports" dated 10 June 2020 issued by Mr. Shubhendu Saha.

1.3 RELIANT PARTIES

The reliance on this report is extended to K Raheja Corp Investment Managers LLP ("Manager"), Mindspace Business Parks REIT ("Mindspace REIT") and their unit holders and Axis Trustee Services Limited being the trustee to Mindspace REIT ("Trustee"). The auditors, lawyers and book running lead managers, would be extended reliance by the Valuer but no liability would be extended to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation ("Reliant Party") and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

1.4 LIMITATION OF LIABILITY

- The Valuer has provided the services exercising due care and skill but does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the Valuer shall not accept liability for any errors, misstatements, omissions in the report caused due to false, misleading or incomplete information or documentation provided to him by the Instructing Party.
- The Valuer's maximum aggregate liability for claims arising out of or in connection with the Valuation, under this contract shall not exceed the professional indemnity insurance obtained by it. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for INR 50 Million (Rupees Fifty Million Only).
- In the event that any of the Sponsors, Manager, Trustee, Mindspace REIT or the book running lead managers, or other intermediaries appointed in connection with the initial public offering be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Valuation, the Claim Parties will be entitled to require the Valuer, to be a necessary party/ respondent to such claim and the Valuer shall not object to his inclusion as a necessary party/ respondent. However, the legal cost with respect to appointment of lawyers by the Valuer as a respondent/ defendant shall be borne by the Client. If the Valuer, as the case may be, does not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard and his liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Valuer is neither responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/validation of the zoning regulations/development controls etc.

1.5 PROFESSIONAL COMPETENCY OF THE VALUER

Mr. Shubhendu Saha, the Valuer for the Subject Property is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since 15 May 2019. He completed his Bachelor in Planning from the School of Planning and Architecture, New Delhi in 1997 and Master in Management Studies from Motilal Nehru National Institute of Technology, Allahabad in 1999.

Mr. Saha has more than 20 years of experience in the domain of urban infrastructure and real estate advisory. He was the national practice head of Valuation Advisory services of DTZ International Property Advisers Private limited (now known as Cushman and Wakefield Property Advisers Private Limited), a leading International Property Consulting firm in India, from 2009 to 2015. He also led the business solutions and consulting services for the property management business of Cushman and Wakefield India Private Limited from 2015 to 2017. In early part of his career, he worked with renowned organisations like ICRA Limited, Copal Research (now known as Moody's Analytics) and National Council of Applied Economic Research. His last employment was with PwC as Director Real Estate Advisory before he started his practice as an independent valuer.

As the leader of valuation services business at DTZ, Mr. Saha authored India specific guidelines of the RICS Valuation Standards ("Red Book") for financial accounting, taxation and development land, which became part of the 7th edition of Red Book. He undertook valuation of India's first listed portfolio of healthcare assets at Singapore Stock Exchange as a Business Trust and led numerous valuation exercises for multiple private equity/real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. His clientele included Air India, HDFC, Religare Health Trust, Duet Hotels, DLF, RMZ, Embassy Group, Citibank, Tishman Speyer, IL&FS, HSBC, IDFC, Ascendas India etc.

1.6 DISCLOSURES

The Valuer declares that:

- He is eligible to be appointed as a valuer in terms of Regulation 2(1)(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 along with SEBI (REIT) (Amendment) Regulations, 2016 with the valuation exercise having been conducted and valuation report prepared in accordance with aforementioned regulations.
- He is not an associate of Anbee Constructions LLP and Cape Trading LLP (referred to as the “Sponsors”), the Instructing Party or Axis Trustee Services Limited (the Trustee for the Mindspace REIT).
- He is registered with the Insolvency and Bankruptcy Board of India (IBBI) as registered valuer for asset class Land and Building under the provisions of the Companies (Registered Valuer and Valuation) Rules, 2017.
- He has more than a decade’s experience in leading large real estate valuation exercises comprising investment portfolios of various real estate funds, trusts and corporates comprising diverse assets like residential projects, retail developments, commercial office buildings, townships, industrial facilities, data centres, hotels, healthcare facilities and vacant land and therefore has adequate experience and qualification to perform property valuations at all times.
- He has not been involved in acquisition or disposal within the last twelve months of any of the properties valued under this summary valuation report.
- He has educational qualifications, professional knowledge and skill to provide competent professional services.
- He has sufficient key personnel with adequate experience and qualification to perform property valuation.
- He is not financially insolvent and has access to financial resources to conduct his practice effectively and meet his liabilities.
- He has adequate and robust internal controls to ensure the integrity of the valuation report.
- He is aware of all statutes, laws, regulations and rules relevant to this valuation exercise.
- He has conducted the valuation exercise without any influence, coercion or bias and in doing so rendered high standards of service, ensured due care, and exercised due diligence and professional judgment.
- He has acted independently and with objectivity and impartiality in conducting this valuation exercise.
- The valuation exercise that has been undertaken is impartial, true and fair to his best understanding and knowledge, and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 along with SEBI (Real

Estate Investment Trusts) (Amendment) Regulations, 2016 and subsequent amendments.

- He or any of his employees involved in valuing the assets of the REIT have not invested nor shall invest in the units of Mindspace REIT or in securities of any of the Subject Properties being valued till the time he is designated as Valuer and not less than six months after ceasing to be the Valuer of the REIT.
- He has discharged his duties towards Mindspace REIT in an efficient and competent manner, utilising his professional knowledge, skill and experience in best possible way to conduct the valuation exercise.
- He has conducted the valuation of the Subject Properties with transparency and fairness and rendered, at all times, high standards of service, exercise due diligence, ensure proper care and exercised independent professional judgment.
- He has not and shall not accept any remuneration, in any form, for conducting valuation of any of the Subject Properties of Mindspace REIT from any person or entity other than Mindspace REIT or its authorised representatives.
- He has no existing or planned future interest in the Client, Trustee, Manager, Mindspace REIT, the Sponsors to Mindspace REIT, or their representative Sponsor Groups or the Special Purpose Vehicles ("SPVs") and the fee for this valuation exercise is neither contingent upon the values reported nor on success of any of the transactions envisaged or required as part of the initial public offering or listing process.
- The valuation reported is not an investment advice and should not be construed as such, and specifically he does not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Client or the SPVs.
- He shall, before accepting any assignment from any related party to Mindspace REIT, disclose to Mindspace REIT, any direct or indirect consideration which the Valuer may have in respect of such assignment
- He shall disclose to the Trustee of Mindspace REIT, any pending business transaction, contracts under negotiations and other arrangements with the Instructing Party or any other party whom the Mindspace REIT is contracting with or any other factors which may interfere with his ability to give an independent and professional conduct of the valuation exercise; as on date the Valuer has no constraints towards providing an independent professional opinion on the value of any of the Subject Properties.
- He has not and shall not make false, misleading or exaggerated claims in order to secure or retain his appointment.
- He has not and shall not provide misleading opinion on valuation, either by providing incorrect information or by withholding relevant information.
- He has not accepted this instruction to include reporting of the outcome based on a pre-determined opinions and conclusions required by Mindspace REIT.

- The valuation exercise has been conducted in accordance with internationally accepted valuation standards as required by SEBI (REIT) Regulations and The Companies (Registration of Valuers and Valuation) Rules, 2017.
- He notes that there are encumbrances, however, no options or pre-emptions rights in relation to the assets based on the title report prepared by Hariani & Co. and Wadia Ghandy & Co., Veritas Legal (hereinafter collectively referred to as "Legal Counsel").

1.7 ASSUMPTIONS, DISCLAIMERS, LIMITATIONS & QUALIFICATIONS TO VALUATION

While the Valuation Report has been prepared independently by the Valuer, the report and this summary is subject to the following:

a. The valuation exercise is based on prevailing market dynamics as on the date of valuation without taking into account any unforeseeable event or developments which could impact the valuation in the future.
b. Novel Coronavirus disease (Covid-19) has been declared as a pandemic by the World Health Organization (WHO). Measures adopted by governments across the globe in form of lockdowns, restricting economic activities, people movement, etc. have disrupted businesses and economies. In India as well, the government has adopted similar measures to contain the spread of Covid-19 which has caused business disruption impacting the economic activity. Though the magnitude of the pandemic and its future impact on businesses is difficult to predict due to the uncertainties caused by Covid-19, the commercial real estate sector has so far shown reasonable resilience to the disruptions caused by Covid-19 and therefore we expect Covid-19 pandemic to have a short term impact on the demand for commercial real estate. We expect the long term demand for commercial real estate to remain intact and therefore our valuation assumptions reflect our long term expectation while taking into account any short term impacts.
c. The valuation exercise is not envisaged to include all possible investigations with respect to the Subject Properties and wherein certain limitations to the investigations and inspections carried out are identified so as to enable the Reliant Party/Parties to undertake further investigations wherever considered appropriate or necessary prior to reliance. The Valuer is not liable for any loss occasioned by a decision not to conduct further investigation or inspections.
d. Assumptions, being an integral part of any valuation exercise, are adopted as valuation is a matter of judgment and many parameters utilized to arrive at the valuation opinion may fall outside the scope of expertise or instructions of the Valuer. The party relying on this report accepts that the valuation contains certain specific assumptions and acknowledge and accept the risk that if any of the assumptions adopted to arrive at the valuation estimates turns out to be incorrect, there may be a material impact on the valuations.
e. The valuation exercise is based on the information shared by the Instructing Party or the Client, which has been assumed to be correct and used to conduct the valuation exercise. In case of information shared by any third party and duly disclosed in the report, the same is believed to be reasonably reliable, however, the Valuer does not accept any responsibility should those prove not to be so.

f. Any statement regarding any future matter is provided as an estimate and/or opinion based on the information known at the date of this report. No warranties are given regarding accuracy or correctness of such statements.
g. Any plan, map, sketch, layout or drawing included in this report is to assist reader in visualizing the relevant property and are for representation purposes only, with no responsibility being borne towards their mathematical or geographical accuracy.
h. Except as disclosed by the Client, it is assumed that the Subject Properties are free from any encroachments and available on the date of valuation.
i. For the purpose of this valuation exercise, reliance has been made on the Title Reports prepared by the Legal Counsels for each of the Subject Properties and no further enquiries have been made with authorities in this regard. It is understood that the Subject Properties have encumbrances, disputes and claims, however, the Valuer does not have the expertise or the purview to verify the veracity or quantify these encumbrances, disputes or claims. For the purpose of this valuation exercise, it is assumed that respective Subject Properties have clear and marketable titles.
j. The current zoning of the Subject Properties has been assessed on the basis of review of various documents including title deeds shared by the Instructing Party and the current land use maps publicly available. The same has been considered for the purpose of this valuation exercise. Additionally, it is also assumed that the development on the Subject Properties adheres/would adhere to the development regulations as prescribed by the relevant authorities. No further enquiries have been made with the competent jurisdictional authorities to validate the legality of the same.
k. The total developable/developed area, leasable area, site/plot area considered for this valuation exercise is based on the Architect's Certificate shared by the Instructing Party and the same has been checked against the approvals/layout plans/building plans provided by the Client. However, no additional verification and physical measurement for the purpose of this valuation exercise has been undertaken.
l. In absence of any information to the contrary, it is assumed that there are no abnormal ground conditions nor archaeological remains present which might adversely affect the current or future occupation, development or value of the Subject Properties and the Subject Properties are free from any rot, infestations, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques are used in construction or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about an advice upon the conditions of uninspected parts and should be taken as making an implied representation or statement about such parts.
m. It is also stated that this is a valuation report and not a structural survey.

n. Unless specifically disclosed in the report, no allowances are made with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Subject Properties.

o. Given the evolving and maturing real estate markets in India, comparable evidences, if any or market quotes provided has been limited to basic details such as area of asset, general location, price/rate of transaction or sale and any other specific details that are readily available in public domain only shall be shared. Any factual information such as tenants' leasable area, lease details such as, rent, lease/rent commencement and end dates, lock-in period, rent escalation terms etc. with respect to Subject Properties is based on the documents/information shared by the Client/Instructing Party and the same has been adopted for the purpose of this valuation exercise. While few lease deeds have been reviewed on a sample basis, the Valuer does not take any responsibility towards authenticity of the rent rolls shared by the Client. Any change in the aforementioned information will have an impact on the valuation estimates and, in that case, the same would need to have a relook. The relevant information sources are mentioned in section 2.5.
p. All measurements, areas and property age quoted/mentioned in the report are approximate.
q. The Valuer is not an advisor with respect to any tax, regulatory or legal matters regarding the proposed transaction. No investigation or enquiries on the holding entity or any SPV's claim on the title of the Subject Properties has been made and the same is assumed to be valid based on the information shared by the Client/Instructing Party. No consideration shall be / has been given to liens or encumbrances against them. Therefore, no responsibility is assumed for matters of a legal nature.
r. Kindly note that quarterly assessment of cash flows has been undertaken for the purpose of this valuation exercise.

2 Valuation Approach and Methodology

2.1 PURPOSE OF VALUATION

The purpose of this valuation exercise is to estimate the value of the Subject Properties as part of the portfolio of Mindspace REIT for an initial public offering under the SEBI (Real Estate Investment Trust) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder.

2.2 BASIS OF VALUATION

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the "Market Value" of the Subject Properties in accordance with the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020.

Market Value is defined as 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

2.3 VALUATION APPROACH

The basis of valuation for the Subject Property being Market Value, the same may be derived by any of the following approaches:

2.3.1 Market Approach

In 'Market Approach', the Subject Property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

2.3.2 Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

i. *Income Approach - Direct Capitalization Method*

Direct capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

ii. *Income Approach - Discounted Cash Flow Method*

Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is mentioned below.

iii. *Income Approach - Discounted Cash Flow Method using Rental Reversion*

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants. Such benefits are typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the Subject Property.

For the purpose of the valuation of Subject Properties (other than the portions of future development area part or whole of which may be considered for sale), Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.

2.4 VALUATION METHODOLOGY

In case of Subject Properties there are instances where the contracted rents are significantly different from prevailing rents in the concerned micro-market where the specific Subject Property is located, either because the rents prevailing at the time of executing the leases have been significantly different or discounts were given to large/anchor tenants.

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time.

It has also been witnessed that the market rents for some properties or micro-markets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

Given the purpose and the nature of Subject Properties involved, the valuation of the commercial office assets has been undertaken using the Discounted Cash Flows method using Rental Reversion, for Facilities Management as well as Power Distribution, Discounted Cash Flow method has been adopted and for portions of future development area part of or whole of which may be considered for sale, Market Approach has been adopted. Further the following steps have been adopted as part of the valuation exercise, which have been elaborated in the detailed full valuation report (“Valuation Report”).

2.4.1 Asset-specific Review:

i. As the first step to the valuation of the asset, the rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to tenants with pre-committed area were reviewed on a sample basis.

ii. For anchor/large tenants, adjustments on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.

iii. Title certificates, architect certificates and other related documents as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

iv. Physical site inspections were undertaken to assess the current status of the Subject Properties.

2.4.2 Micro-market Review:

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman & Wakefield (CWI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner:

i. An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. of commercial office assets. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by Cushman & Wakefield and readily available information in public domain to ascertain the transaction activity of commercial/IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/future developments), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Properties for leasing vacant spaces as well as upon re-leasing).

ii. Valuer also analysed the historical leasing within the asset for anchor tenants to identify the discount that is extended to such tenants at the time of fresh leasing or lease renewals. Rent roll and sample of lease deeds of large anchor-tenants were analysed and applicable adjustments to marginal rent was estimated for individual leases. For other tenants occupying relatively large space within the Subject Properties, it is assumed that the leases shall revert to marginal rents (duly adjusted from the date of valuation) following the expiry of the lease, factoring appropriate re-leasing time.

2.4.3 Cash Flow Projections:

i. The cash flows for the operational and under-construction/future development area have been projected separately to arrive at their respective value estimates.

ii. Net operating income (NOI) has primarily been used to arrive at the value of the commercial office assets. The following steps were undertaken to arrive at the value for operational and under-construction/ future development areas respectively.

The projected future cash flows from the property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Properties. For vacant area and under-construction/ future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate.

For each lease, principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

Step 1: Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.

Step 2: Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

Step 3: In the event the escalated contracted rent is higher than the achievable market rent by 15%, the contracted terms are ignored, and the terms are reverted to market. In the event the escalated contracted rent is below 115% of the achievable rent, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental income for respective leases until lease expiry as well as post expiry.

Step 4: Computing the monthly rental income projected as part of Step 3 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

iii. Recurring operational expenses, fit-out income (if any – the same has not been included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For all commercial office assets, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Properties.

iv. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the commercial office assets through this approach.

v. For the purpose of valuing the Power Distribution service to the tenants, the cash flows have been projected on the basis of profit margins allowed by the Maharashtra Electricity Regulatory Commission in its latest tariff order for respective power distribution licenses covering the control period from 2020-21 to 2024-25. Thereafter, the same principles have been adopted to project the cash flows till the remaining period of licence for distributing power to tenants/operators by the concerned entity.

vi. The Facilities Management Services which are planned to be commenced in KRC Infrastructure and Projects Private Limited from the 1st day of the quarter following the listing. For the purpose of valuation, its assumed that the Facilities Management Services will commence effective October 1, 2020 and have been valued based on the proposed terms of the Facility Management Services to be entered into with the SPVs and the current revenue profile projected to capture the addition of new areas getting constructed and improvement of overall occupancies of the Subject Properties keeping normalised EBITDA margins through the projected years and estimating the terminal value using an appropriate earnings multiple, thereafter discounting the cash flows using appropriate discount rate. Deferment of commencement of Facilities Management Services beyond October 1, 2020 would result in suitable adjustments to the valuation.

2.5 INFORMATION SOURCES

Property related information relied upon for the valuation exercise have been provided to the Valuer by the Client and the data provided by Cushman and Wakefield, unless otherwise mentioned. The documents provided has been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

3 Valuation Summary

The following table highlights the summary of the market value of each of the Subject Properties which is part of the Mindspace REIT as on 31 March 2020.

S. No.	Asset Name and Location	Leasable area (Million sq ft)[1]	Market Value (in INR Million)[2]			REIT Ownership
			Completed	Under-Construction	Total	
1	Mindspace Madhapur, Hyderabad	Completed –9.9 Under-construction/ Future development – 0.6	86,729	856	87,585	89%
2	Mindspace Airoli East, Mumbai Region	Completed- 4.7 Under-construction/ Future development – 2.1[3]	41,184	1,922	43,107	100%
3	Mindspace Airoli West, Mumbai Region	Completed – 3.5 Under-construction/ Future development – 1.0	29,645	5,561	35,205	100%
4	Paradigm Mindspace Malad, Mumbai Region	Completed - 0.7	9,409	N.A.	9,409	100%
5	The Square, BKC, Mumbai Region	Completed – 0.1	4,302	N.A.	4,302	100%
6	Commerzone Yerwada, Pune	Completed – 1.7	19,100	N.A.	19,100	100%
7	Gera Commerzone Kharadi, Pune	Completed – 1.3 Under-construction/ Future development – 1.3	12,110	3,376	15,486	100%
8	The Square, Nagar Road, Pune	Completed - 0.7	8,094	N.A.	8,094	100%
8	Commerzone Porur, Chennai	Under-construction/ Future development – 0.8	N.A.	5,946	5,946	100%
9	Mindspace Pocharam, Hyderabad	Completed - 0.4 Under-construction/ Future development – 0.6	1,379	1,606	2,984	100%
Sub-Total			**211,952**	**19,267**	**231,219**	
10	Facility Management Business		4,606	926	5,532	
Total			**216,558**	**20,193**	**236,751**	

[1] Based on Architect's Certificate

[2]Value is for 100% ownership interest in the Subject Property except for Mindspace Madhapur, Hyderabad where value is for 89% ownership (excluding 11% ownership by APIIC)

[3] While the park has aggregate development potential of 2.1 msf, Mindspace REIT has currently formulated development plans for 0.9 msf (including High Street), and, accordingly, only 0.9 msf of the future development area has been considered for the purpose of valuation

The above valuation includes value of transaction which will be effected post March 31, 2020 as provided below:

S. No.	Asset Name and Location	Leasable area (Million sq ft)[1]	Market Value (in INR Million)[2]			REIT Ownership
			Completed	Under-Construction	Total	
1	Facility Management Business	N.A.	4,606	926	5,532	100%

[1] Based on Architect's Certificate
[2] Value is for 100% ownership interest in the business

3.1 ASSUMPTIONS, DISCLAIMERS, LIMITATIONS & QUALIFICATIONS

This Summary Valuation Report is provided subject to a summary of assumptions, disclaimers, limitations and qualification detailed throughout this Report which are made in conjunction with those included within the sections covering various assumptions, disclaimers, limitations and qualifications within the detailed Valuation Report. Reliance on this report and extension of the liability of the Valuer is conditional upon the reader's acknowledgement of these statements. This valuation is for the use of the parties mentioned in Section 1.3 of this Summary Valuation Report

Prepared by

(Shubhendu Saha)
IBBI/RV/05/2019/11552

4 Subject Properties

4.1 MINDSPACE MADHAPUR (SUNDEW PROPERTIES LTD), HYDERABAD

4.1.1 Property Name

Mindspace Madhapur (Sundew) is a commercial office development located within the Madhapur micro-market at Madhapur, Hyderabad in the state of Telangana.

4.1.2 Address

Mindspace, Cyberabad, Survey Number 64 (part), Next to VSNL Bldg, Hitech City, Madhapur Village, Hyderabad - 500081, Telangana, India

4.1.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Sundew Properties Limited), it is understood that the total land area of the Subject Property is approximately 40.3 acres.

4.1.4 Brief Description

Mindspace Madhapur (Sundew) forming part of Mindspace IT Park located in Madhapur, comprises of SEZ and Non-SEZ buildings. The Subject Property has two components i.e. a completed component and an under-construction component. The completed buildings are building 11, 12A, 12B, 12C, 14, 12D and 20. The under- construction building is Building 22 (Hotel building).

Of the total seven completed buildings, six are SEZs and one is a non-SEZ building (Building 11). The IT park has food courts, gaming zone and other amenities.

Building 22 is an under-construction hotel property expected to be completed by Q4 FY 2020-2021.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 0-1 km from Hyderabad Metro Rail station at Mindspace circle
- Approximately 5-6 kms from Hitech City MMTS railway station
- Approximately 20-21 kms from Secunderabad railway station
- Approximately 34-35 kms from Shamshabad International Airport

4.1.5 Statement of Assets

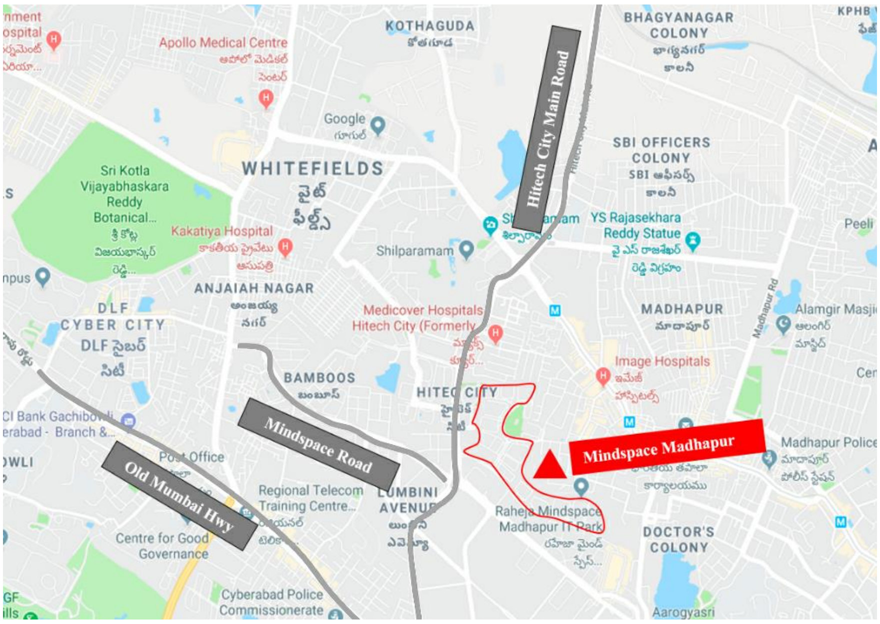
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has completed and operational buildings collectively admeasuring approximately 5.7 million sq. ft. of leasable area. Six operational buildings namely Buildings 12A, 12B, 12C, 14, 12D and 20 are SEZs and one operational building (Building 11) and another under-construction building (Building 22 – Hotel building) are Non-SEZ.

The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 11	578,760	Non-SEZ	Completed
Building 12A	856,837	SEZ	Completed
Building 12B	667,360	SEZ	Completed
Building 12C	785,483	SEZ	Completed
Building 14	528,848	SEZ	Completed
Building 20	906,365	SEZ	Completed
Building 12D	1,246,519	SEZ	Completed
Building 22	127,398	Non- SEZ	Under-construction
Total	**5,697,571**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

4.1.6 Location Map



4.1.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	N.A.
Current Effective Rent	INR/sq ft/mth	48
Achievable Market Rent	INR/sq ft/mth	68
Parking Charges	INR/bay/mth	2,000
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgradation Capex: 256 Building 12D: 1,265 Under-construction (Bldg 22): 221
Expected Completion	Qtr, Year	Upgradation Capex: Q2 FY 2022-23 Building 12D: Completed Building No. 22 - Q4 FY 2020-21
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

4.1.8 Market Value

The market value of the full ownership interest of Mindspace REIT in the Subject Property as on 31 March 2020 is as follows:

INR 48,114 Million[1]

(Indian Rupees Forty-Eight Billion One Hundred and Fourteen Million Only)

Note:

[1] The valuation presented is for 89% interest in the Subject Property.

4.2 MINDSPACE MADHAPUR (K RAHEJA IT PARK (HYDERABAD) LTD), HYDERABAD

4.2.1 Property Name

Mindspace Madhapur (KRIT) is a commercial office development located within the Madhapur micro-market at Madhapur, Hyderabad in the state of Telangana.

4.2.2 Address

Mindspace Cyberabad, Next to VSNL Building Survey Number 64 (part), APIIC Software Unit Layout, Hitech City, Madhapur Village, Madhapur 500081, Telangana, India

4.2.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for K Raheja IT Park (Hyderabad) Private Limited), it is understood that the total land area of the Subject Property is approximately 48 acres.

4.2.4 Brief Description

Mindspace Madhapur (KRIT), forming part of Mindspace IT Park located in Madhapur has two components i.e. a completed component and land for future development. The completed buildings are 1A, 1B, 2A, 2B, 3A, 3B, 4A&B, 5A, 7, 8 and 10. Land for future development measures approximately 1.8 acres.

All of the total 11 completed buildings are Non-SEZ buildings. The IT park has food court, land scape area, Amphitheatre and other amenities.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 0-1 km from Hyderabad Metro Rail station at Mindspace circle
- Approximately 5-6 kms from Hitech City MMTS railway station
- Approximately 20-21 kms from Secunderabad railway station
- Approximately 34-35 kms from Shamshabad International Airport

4.2.5 Statement of Assets

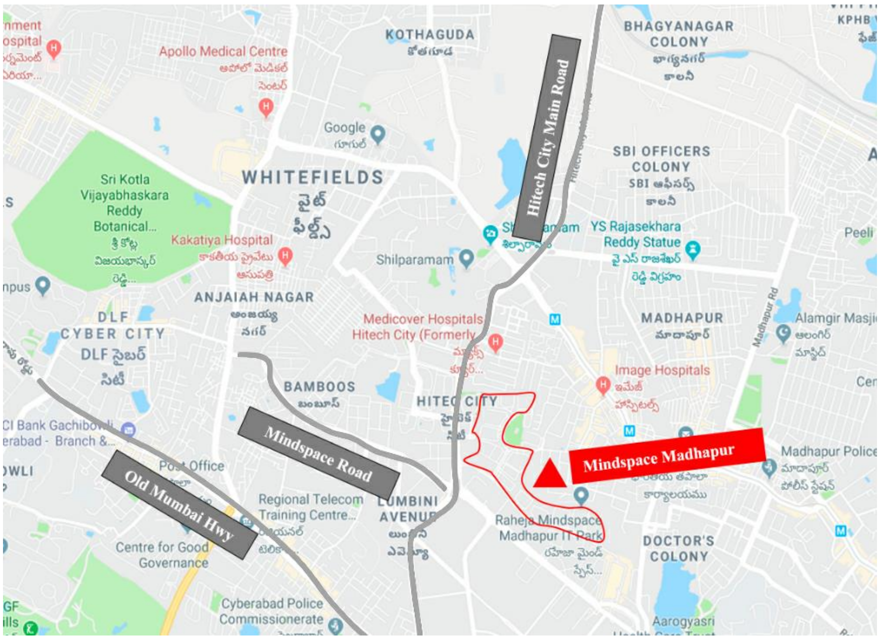
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has ready and operational as well as future development buildings collectively admeasuring approximately 3.2 million sq. ft. of leasable area. Subject property buildings 1A, 1B, 2A, 2B, 3A, 3B, 4A&B, 5A, 7, 8 and 10 are Non-SEZ buildings. The Subject Property also has land for future development admeasuring approximately 1.8 acres with development potential of approximately 0.5 million sq. ft.

The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 1A	180,463	Non-SEZ	Completed
Building 1B	180,461	Non-SEZ	Completed
Building 2A	267,383	Non-SEZ	Completed
Building 2B	410,898	Non-SEZ	Completed
Building 3A	178,293	Non-SEZ	Completed
Building 3B	204,934	Non-SEZ	Completed
Building 4A&B	430,528	Non-SEZ	Completed
Building 5A	113,665	Non-SEZ	Completed
Building 7	190,889	Non-SEZ	Completed
Building 8	172,728	Non-SEZ	Completed
Building 10	324,293	Non-SEZ	Completed
Additional Development Potential	500,000	Non-SEZ	Future Development
Total	**3,154,535**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

4.2.6 Location Map



4.2.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	Q4 FY 2020-21
Current Effective Rent	INR/sq ft/mth	47
Achievable Market Rent	INR/sq ft/mth	68
Parking Charges	INR/bay/mth	2,000
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 1,144
Expected Upgrade Completion	Qtr, Year	Upgradation: Q3 FY 2022-23
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

4.2.8 Market Value

The market value of the full ownership interest in the Subject Property as on 31 March 2020 is as follows

INR 23,970 Million[1]

(Indian Rupees Twenty-Three Billion Nine Hundred and Seventy Million Only)

The above value includes the market value of land for future development based on market comparables, admeasuring approximately 1.8 acres as on 31 March 2020, as mentioned hereunder:

INR 324 Million[1]

(Indian Rupees Three Hundred and Twenty-Four Million Only)

Note:

[1.] The valuation presented is for 89% interest in the Subject Property.

4.3 MINDSPACE MADHAPUR (INTIME PROPERTIES LTD), HYDERABAD

4.3.1 Property Name

Mindspace Madhapur (Intime) is a commercial office development located within the Madhapur micro-market at Madhapur, Hyderabad in the state of Telangana.

4.3.2 Address

Mindspace Cyberabad, Survey Number 64 (part), Next to VSNL Building, Hitech City, Madhapur Village, Hyderabad, - 500081, Telangana, India

4.3.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Intime Properties Limited), it is understood that the total land area of the Subject Property is approximately 9 acres.

4.3.4 Brief Description

Mindspace Madhapur (Intime), forming part of Mindspace IT Park located in Madhapur, comprises of three completed and operational buildings spread across approximately 9 acres of land. The IT Park has food court, land scape area, open auditorium and other amenities. All three buildings are non-SEZ buildings.

The Subject Property is well connected to major locations in the city via road and rail network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 0-1 km from Hyderabad Metro Rail station at Mindspace circle
- Approximately 5-6 kms from Hitech City MMTS railway station
- Approximately 20-21 kms from Secunderabad railway station
- Approximately 34-35 kms from Shamshabad International Airport

4.3.5 Statement of Assets

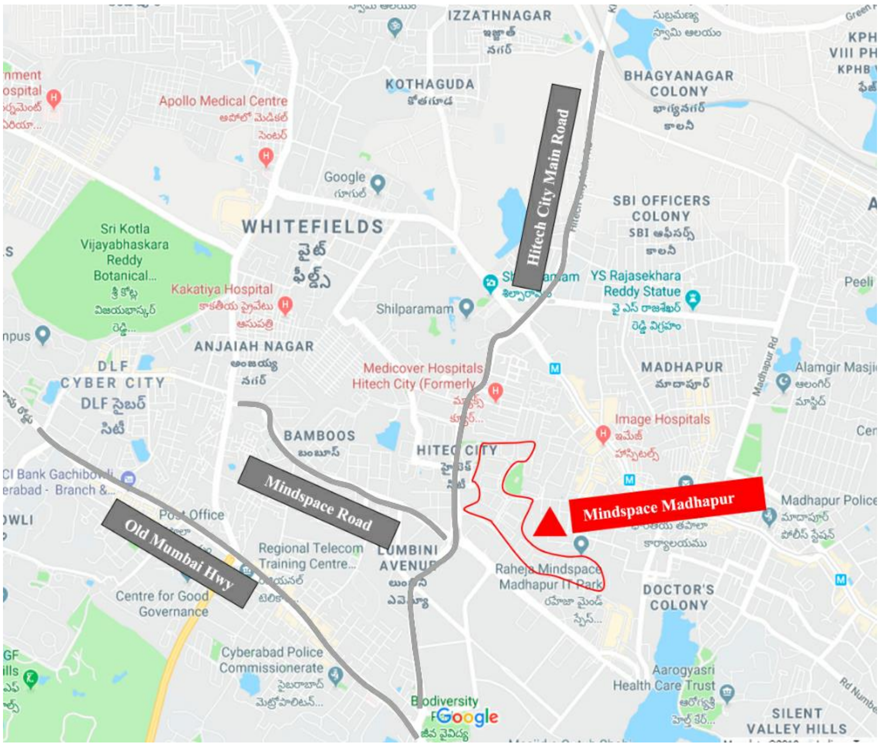
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has completed and operational buildings collectively admeasuring approximately 1.7 million sq. ft. of leasable area. Subject property buildings 5B, 6 and 9 are Non-SEZ buildings.

The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 5B	245,977	Non-SEZ	Completed
Building 6	388,543	Non-SEZ	Completed
Building 9	1,089,395	Non-SEZ	Completed
Total	**1,723,915**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

4.3.6 Location Map



4.3.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	N.A.
Current Effective Rent	INR/sq ft/mth	51
Achievable Market Rent	INR/sq ft/mth	68
Parking Charges	INR/bay/mth	2,000
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 80
Expected Upgrade Completion	Qtr, Year	Q2 FY 2021 - 22
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

4.3.8 Market Value

The market value of the full ownership interest in the Subject Property as on 31 March 2020 is as follows

INR 15,501 Million [1]

(Indian Rupees Fifteen Billion Five Hundred and One Million Only)

Note:

[1.] The valuation presented is for 89% interest in the Subject Property.

4.4 MINDSPACE AIROLI EAST, MUMBAI REGION

4.4.1 Property Name

Mindspace Airoli East is a commercial office development located within the Thane Belapur Road micro-market at Airoli, Navi Mumbai, Mumbai Region in the state of Maharashtra.

4.4.2 Address

MIDC Plot No. 3, Kalwa Trans Thane Creek Industrial Area, Mindspace, Opp. Airoli Station, Airoli, Navi Mumbai 400708

4.4.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Mindspace Business Park Private Limited), it is understood that the total land area of the Subject Property is approximately 50 acres.

4.4.4 Brief Description

Subject property comprises operational and completed buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12,14 and future development Building 15 and High Street. While the park has aggregate development potential of 2.1 msf, Mindspace REIT has currently formulated development plans for 0.9 msf (including High Street), and, accordingly, only 0.9 msf of the future development area has been considered for the purpose of valuation.

The Subject property, which are part of Mindspace IT park located in Airoli East, Navi Mumbai, is spread over 50 acres comprising SEZ and future Non-SEZ office space. It enjoys good accessibility and connectivity with other parts of the city. The Subject Property also has a High Street, club house which has F&B outlets of CCD, Grapevine, Subway on the ground floor. The Subject Property also has a gaming zone for employees.

4.4.5 Statement of Assets

Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates, etc., shared by the Client, the Subject Property has ready and operations buildings collectively admeasuring approximately 4.7 million sq. ft. of Leasable Area. All the ready buildings are SEZ. The future development buildings (Building 15 & High Street/Retail) are proposed to be Non- SEZ buildings admeasuring approximately 0.8 million sq. ft. and 0.05 million sq. ft. of leasable area respectively.

The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 1	3,53,852	SEZ	Completed
Building 2	3,44,370	SEZ	Completed
Building 3	3,54,404	SEZ	Completed
Building 4	3,49,433	SEZ	Completed
Building 5&6	8,62,389	SEZ	Completed
Building 7	3,45,376	SEZ	Completed
Building 8	2,95,423	SEZ	Completed
Building 9	3,59,847	SEZ	Completed
Building 10	3,66,319	SEZ	Completed
Building 11	3,53,159	SEZ	Completed
Building 12	3,71,972	SEZ	Completed
Building 14	3,44,247	SEZ	Completed
Club House	5,331	SEZ	Completed
Building 15	8,00,000	Non-SEZ	Future Development
Retail Space (High Street)	50,000	Non-SEZ	Future Development
Total	**5,556,122**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/ Leave and License Agreements

4.4.6 Location Map

4.4.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	Q3 FY 2020-21
Current Effective Rent	INR/sq ft/mth	49
Achievable Market Rent	INR/sq ft/mth	58
Parking Charges	INR/bay/mth	1,500
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgrade[1] Capex: 1,758 Future Development: 3,622
Expected Completion	Qtr, Year	Building 15- Q4 FY 2023-24 High Street- Q4 FY 2021-22
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

Note:

1. Includes capex for Upgrade, Development of High Street / Retail space. It also includes warm-shell conversion of Building 7 as assumed by the Valuer.

4.4.8 Power Distribution Services

In accordance with Section 14 (b) of the Electricity Act, 2003 read with Section 4(1) of the SEZ Act, 2005, entities that own and operate SEZ Parks are considered Deemed Distribution Licensee for supplying electricity to consumers within the SEZ area. Pursuant to the above regulations, Mindspace Business Parks Private Limited (SPV) also has the license to distribute power within the Subject Property, wherein it procures power from Power generators /traders supplying to the grid and then distribute it to the end consumers within the Subject Property.

4.4.9 Valuation Approach for Power Distribution Services

Mindspace Business Parks Private Limited (SPV) submitted the detailed tariff petition to Maharashtra Electricity Regulatory Commission ("MERC" or the "Commission"), who determined the tariff that may be charged to the customers/operators within the Subject property allowing the licensee to charge cost plus mark up as approved by the Commission to the end users. This mark-up is equivalent to return on its investment comprising primarily of annual depreciation on investment, interest expenses on notional debt and return on equity.

4.4.10 Valuation Methodology for Power Distribution Services

Referring to the Commission's latest order for the operational facility, the cash flows from the power distribution services are projected in the following manner:

Step 1: Amount of approved Gross Fixed Assets ("GFA") is considered.

Step 2: Further, Net Fixed Asset (NFA) which is GFA reduced by accumulated depreciation allowed as on date is computed.

Step 3: To compute the EBITDA, mainly return on equity, interest on notional debt, recovery of depreciation, interest on working capital have been added .

Step 4: Power procurement, operational and maintenance expenses are allowed completely as pass through.

4.4.11 Valuation Assumptions for Power Distribution Services

Following are the key assumptions for in accordance with the Commission order dated 26 October 2016:

Assumptions	Unit	Figure
Gross Fixed Assets (GFA)	INR Million	474
Accumulated Depreciation YTD FY20	INR Million	-117
Notional Equity (30% of GFA)	INR Million	142
Notional Debt as on March 2020 (70% of GFA)	INR Million	332
Depreciation rate (Straight Line Method)	% pa	5.3%
Remaining License Period	Years	20
WACC	%	10.5

4.4.12 Market Value

The market value of the full ownership interest in the Subject Property as on 31 March 2020 is as follows

INR 43,107 Million

(Indian Rupees Forty-Three Billion One Hundred and Seven Million Only)

The above value includes the market value of land for future development (which may be considered for sale) based on market comparables, admeasuring 1.76 acres with available FSI of 15,092 sqm as on 31 March 2020, as mentioned hereunder:

INR 208 Million

(Indian Rupees Two Hundred and Eight Million Only)

4.5 MINDSPACE AIROLI WEST, MUMBAI REGION

4.5.1 Property Name

Mindspace Airoli West is a commercial office development located within the Thane Belapur Road micro-market at Airoli, Navi Mumbai, Mumbai Region in the state of Maharashtra.

4.5.2 Address

Plot IT - 5, Airoli Knowledge Park, Airoli and Dighe Special Economic Zone, Thane – 400710

4.5.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Gigaplex Estate Private Limited), it is understood that the total land area of the Subject Property is approximately 50 acres.

4.5.4 Brief Description

Subject property comprises operational and completed buildings 1, 2, 3, 4, 5,6 and under construction building 9 (hereinafter referred to as Subject Property), which are part of Mindspace IT park located in Airoli West, Navi Mumbai. Mindspace, is spread over 50 acres comprising SEZ and Non-SEZ office space. It enjoys good accessibility and connectivity with other parts of the city. The Subject Property also has two operational food courts namely Megabite and Gigabite. There are 3 private dining rooms (PDRs) also available to the employees with a seating capacity of 10 to 15 people. The park also offers day-care facilities to the employees.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 3-4 kms from Airoli Railway Station
- Approximately 5-6 kms from Thane Railway Station
- Approximately 7-8 kms from Eastern Express Highway
- Approximately 22-23 kms from Mumbai International Airport

4.5.5 Statement of Assets

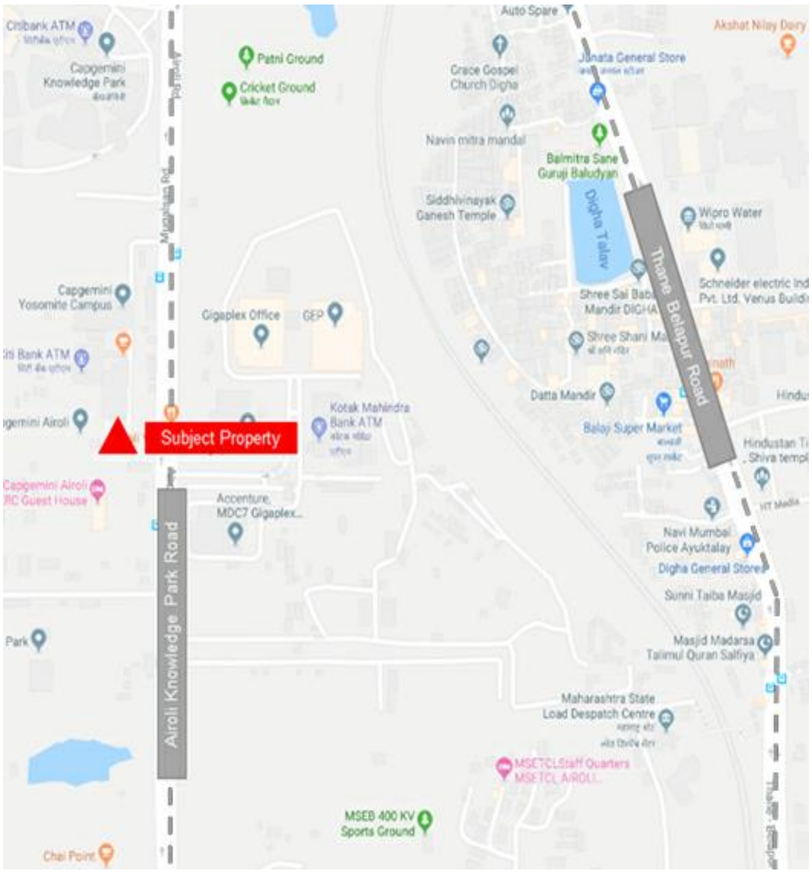
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has ready and operations buildings collectively admeasuring approximately 3.5 million sq. ft. of leasable area. Out of the total six completed buildings, five are SEZs whereas one building is a non-SEZ building. The under-construction building (Building 9) is an SEZ building presently admeasuring approximately ~1 million sq. ft. of leasable area. However, application has been made to de-notify this building from SEZ.

The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 1	409,661	Non-SEZ	Completed
Building 2	715,270	SEZ	Completed
Building 3	740,153	SEZ	Completed
Building 4	831,731	SEZ	Completed
Building 5	374,636	SEZ	Completed
Building 6	391,778	SEZ	Completed
Centre Court	796	SEZ	Completed
Building 9	1,033,590	Non-SEZ	Under-construction
Total	**4,497,616**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

4.5.6 Location Map



4.5.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	Q2 FY 2022-23
Current Effective Rent	INR/sq ft/mth	53
Achievable Market Rent	INR/sq ft/mth	55
Parking Charges	INR/bay/mth	2,000
Development Assumptions		
Remaining Capital Expenditure	INR Million	Under-construction (Bldg 9): 2,541
Expected Completion	Qtr, Year	Under-construction (Bldg 9): Q4 FY 2020-21
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

4.5.8 Power Distribution Services

In accordance with Section 14 (b) of the Electricity Act, 2003 read with Section 4(1) of the SEZ Act, 2005, entities that own and operate SEZ Parks are considered Deemed

Distribution Licensee for supplying electricity to consumers within the SEZ area. Pursuant to the above regulations, Gigaplex Estate Private Limited (SPV) also has the license to distribute power within the Subject Property, wherein it procures power from Power generators/traders supplying to the grid and then distribute it to the end consumers within the Subject Property.

4.5.9 Valuation Approach for Power Distribution Services

Gigaplex Estate Private Limited (SPV) submitted the detailed tariff petition to Maharashtra Electricity Regulatory Commission ("MERC" or the "Commission"), who determined the tariff that may be charged to the customers/operators within the Subject property allowing the licensee to charge cost plus mark up as approved by the Commission to the end users. This mark-up is equivalent to return on its investment comprising annual depreciation on investment, interest expenses on notional debt and return on equity.

4.5.10 Valuation Methodology for Power Distribution Services

Referring to the Commission's latest order for the operational facility, the cash flows from the power distribution services are projected in the following manner:

Step 1: Amount of approved Gross Fixed Assets ("GFA") is considered.

Step 2: Further, Net Fixed Asset (NFA) which is GFA reduced by accumulated depreciation allowed as on date is computed.

Step 3: To compute the EBITDA, mainly return on equity, interest on notional debt, recovery of depreciation, interest on working capital have been added.

Step 4: Power procurement, operational and maintenance expenses are allowed completely pass through.

4.5.11 Valuation Assumptions for Power Distribution Services

Following are the key assumptions for in accordance with the Commission order dated 12 March 2018:

Assumptions	Unit	Figure
Gross Fixed Assets (GFA)	INR Million	297
Accumulated Depreciation YTD FY20	INR Million	-37
Notional Equity (30% of GFA)	INR Million	89
Notional Debt as on March 2020 (70% of GFA)	INR Million	208
Depreciation rate (Straight Line Method)	% pa	5.3%
Remaining License Period	years	21
WACC	%	10.50

4.5.12 Market Value

The market value of the full ownership interest in the Subject Property as on 31 March 2020 is as follows

INR 35,205 Million
(Indian Rupees Thirty-Five Billion Two Hundred and Five Million Only)

The above value includes the market value of land for future development (which may be considered for sale) based on market comparables, admeasuring approximately 16.45 acres with available FSI of 30,389 sqm as on 31 March 2020, as mentioned hereunder:

INR 1,229 Million
(Indian Rupees One Billion Two Hundred and Twenty-Nine Million Only)

4.6 PARADIGM MINDSPACE MALAD, MUMBAI REGION

4.6.1 Property Name

Paradigm Towers in Mindspace Malad is a commercial office building located within the Malad-Goregaon micro-market at Malad (West) in the Mumbai Region.

4.6.2 Address

Paradigm S NO 1460 A/18 Mindspace Link Road, Mindspace, Malad (West), Mumbai, Maharashtra 400064

4.6.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Avacado Properties and Trading India Private Limited), it is understood that the total land area of the Subject Property is approximately 4.2 acres.

4.6.4 Brief Description

Paradigm Towers in Mindspace, Malad West is a Grade A, IT Park located in Malad West, Mumbai, within Malad-Goregaon micro market which is home to a number of IT and commercial establishments by prominent developers like K Raheja Corp, Nirlon, Oberoi etc. The micro market is strategically located in Mumbai with social infrastructure like Goregaon Sports Club, Infinity Mall, Inorbit Mall, etc. which are in close proximity to the Subject Property. The IT Park comprises of two Non-SEZ buildings and houses prominent tenants such as J.P Morgan Services India Pvt. Ltd., First Source Solutions Ltd., Tech Mahindra, etc.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 2-3 kms from Malad Railway Station
- Approximately 3-4 kms from Goregaon Railway Station
- Approximately 3-4 kms from Western Express Highway
- Approximately 12-13 kms from Mumbai International Airport

4.6.5 Statement of Assets

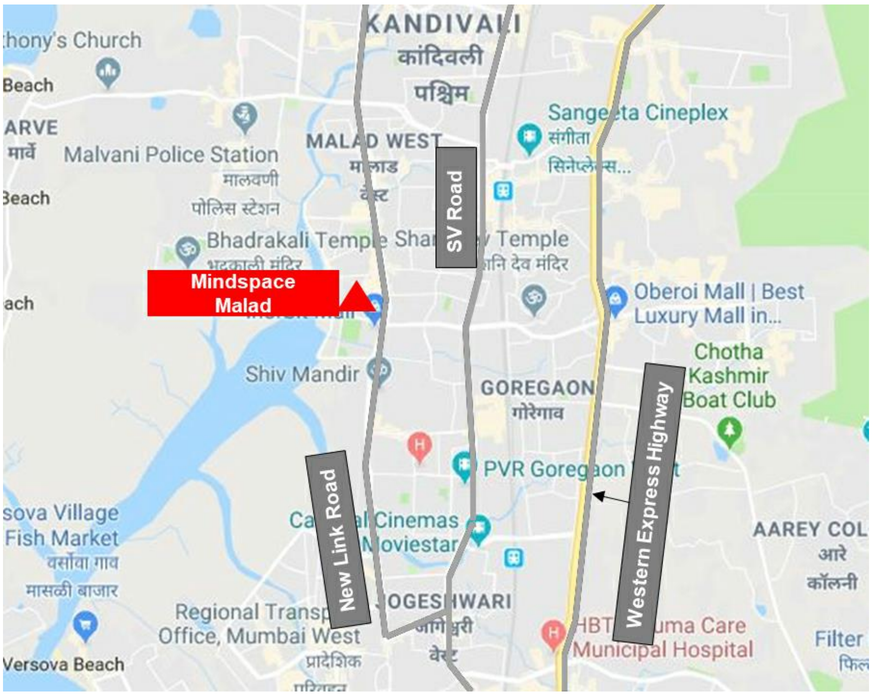
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has ready buildings collectively admeasuring approximately 0.7 million sq. ft. of leasable area.

The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 1	3,56,651	IT Park	Completed
Building 2	3,44,372	IT Park	Completed
Total	**7,01,023**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

4.6.6 Location Map



4.6.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/ 2020)		
Lease Completion	Qtr, Year	Q3 FY 2020-21
Current Effective Rent	INR/sq ft/mth	86
Achievable Market Rent	INR/sq ft/mth	86
Parking Charges	INR/bay/mth	5,000
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgrade[1] Capex: 350
Expected Completion	Qtr, Year	Q1 FY 2025-26
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

Note:

1. Includes capex for warmshell conversion

4.6.8 Market Value

The market value of the full ownership interest in the Subject Property, as on 31 March 2020, is as follows

INR 9,409 Million

(Indian Rupees Nine Billion Four Hundred and Nine Million Only)

4.7 THE SQUARE, BKC, MUMBAI REGION

4.7.1 Property Name

The Square is a commercial office building located in the Bandra Kurla Complex micro market, Mumbai Region in the state of Maharashtra.

4.7.2 Address

C-61, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400 051

4.7.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Avacado Properties & Trading (India) Pvt. Ltd.), it is understood that the total land area of the subject property is approximately 0.9 acres.

4.7.4 Brief Description

The Square is a Grade A building located in G Block, Bandra Kurla Complex, Mumbai, which used to be corporate headquarters of Citigroup in Mumbai. The Subject Property was acquired in August 2019. The building has ground plus 8 floors and a terrace with two levels of basement parking. The Subject Property is accessible from the Bandra Kurla Complex Link Road and is currently unoccupied.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 2 kms from Kurla Railway Station (Central Railway)
- Approximately 3 kms from Western Express Highway
- Approximately 4 kms from Bandra Railway Station (Western Railway)
- Approximately 5 kms from Eastern Express Highway
- Approximately 7 kms from Mumbai International Airport

4.7.5 Statement of Assets

Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has ready and non-operational building admeasuring approximately 0.1 million sq. ft. of leasable area. Details of the Subject Property are mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
The Square, BKC	115,000	Commercial	Completed

Source: Architect's Certificate

4.7.6 Location Map

(Map not to Scale)

4.7.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	N.A.
Current Effective Rent	INR/sq ft/mth	N.A.
Achievable Market Rent	INR/sq ft/mth	295
Parking Charges	INR/bay/mth	N.A.
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 190
Expected Completion	Qtr, Year	Q3 FY 2020-21
Other Financial Assumptions		
Cap Rate	%	7.75
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

4.7.8 Market Value

The market value of the full ownership interest in the Subject Property as on 31 March 2020 is as follows:

INR 4,302 Million

(Indian Rupees Four Billion Three Hundred and Two Million Only)

4.8 COMMERZONE YERWADA, PUNE

4.8.1 Property Name

Commerzone is a commercial office development located within the Secondary Business District East (SBD East) micro-market at Yerwada, Pune in the state of Maharashtra.

4.8.2 Address

Commerzone, Samrat Ashok Path, Off Airport Road, Yerwada, Taluka Haveli, Dist. Pune, Maharashtra 411006

4.8.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Mindspace Business Parks Private Limited), it is understood that the total land area of the Subject Property is approximately 25.7 acres.

4.8.4 Brief Description

Commerzone is a Grade A, IT Park located in Yerwada, Pune, comprising a total of eight IT office buildings and one Amenity building. Amongst all the buildings in the campus, six IT office buildings and the amenity building are part of the Subject Property, except some areas within these six buildings. The Amenity building houses an operating school under the brand name VIBGYOR and is an independent building with exclusive access outside the campus of Commerzone.

The Subject Property is spread out over ~25.7 acres of land parcel. Located in Yerwada, the Subject Property enjoys good frontage and has a relatively flat topography with no significant variations in the height of the land. Further, basis our perusal of the site map provided by the client, we noted that the land plot is regular in shape.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 4-5 kms from Viman Nagar Chowk
- Approximately 4-5 kms from International Airport Pune
- Approximately 6-7 kms from Pune Railway Station
- Approximately 9-10 kms from Shivajinagar
- Approximately 10-11 kms from Pune University

4.8.5 Statement of Assets

Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has ready and operational buildings collectively admeasuring approximately 1.7 million sq. ft. of leasable area across the IT Office and amenity buildings.

S. No.	Building No.	Units held by the SPV
1	Building 1	GF-1, GF -3 and 302
2	Building 4	201, 301, 501, 602, 603, 701, 702
3	Building 5	Entire Building
4	Building 6	201, 202, 301, 501 (part), 701, 702
5	Building 7	Entire Building
6	Building 8	Entire Building

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Subject Property

ii. The total Amenity Plot

iii. The total Utility Areas and Internal Roads;

iv. The total Open Spaces;

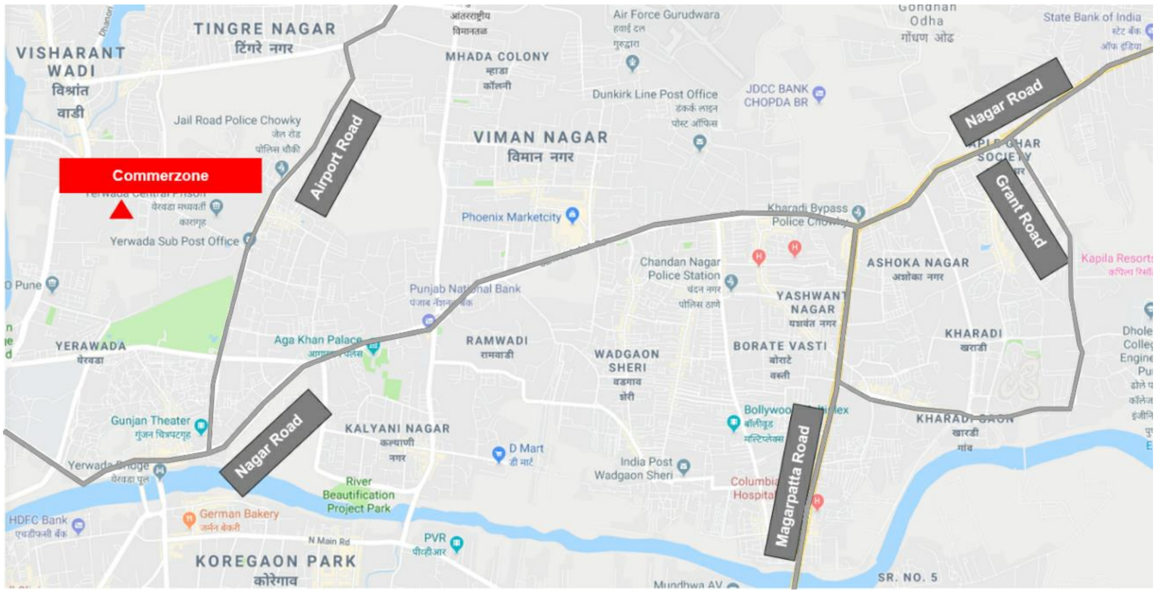
The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)[1]	Usage type	Status
Building 1	43,200	Non-SEZ	Completed
Building 4	207,460	Non-SEZ	Completed
Building 5	371,399	Non-SEZ	Completed
Building 6	178,569	Non-SEZ	Completed
Building 7	371,799	Non-SEZ	Completed
Building 8	424,132	Non-SEZ	Completed
Amenity Building	79,521[1]	Non-SEZ	Completed
Total	**1,676,080**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds//Leave and License Agreements

[1.] *Area under full ownership of Mindspace REIT*

4.8.6 Location Map



4.8.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	N.A.
Current Effective Rent	INR/sq ft/mth	56
Achievable Market Rent	INR/sq ft/mth	78
Parking Charges	INR/bay/mth	1,500
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgrade[1] Capex: 167
Expected Completion	Qtr, Year	Q3 FY2020-21
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

Note:

[1] Of the total Remaining Capital Expenditure of INR 167 Million, INR 137 Million is planned for tenant specific fitouts. Along with this, fitout rent charged to the tenant against this fitout is also included in the cashflows.

4.8.8 Market Value

The market value of the full ownership interest in the Subject Property as on 31 March 2020 is as follows:

INR 19,100 Million

(Indian Rupees Nineteen Billion and One Hundred Million Only)

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the Entire Campus.

4.9 GERA COMMERZONE KHARADI, PUNE

4.9.1 Property Name

Gera Commerzone is an IT office development located within the Secondary Business District East (SBD East) micro-market at Kharadi, Pune in the state of Maharashtra.

4.9.2 Address

Gera Commerzone, Kharadi, S.No. 65 at Kharadi, Tal, Haveli, Pune, Maharashtra 411006

4.9.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for KRC Infrastructure and Projects Private Limited), it is understood that the total land area of the Subject Property is approximately 25.8 acres.

4.9.4 Brief Description

Gera Commerzone is a Grade A, SEZ and IT Park located in Kharadi Pune. Gera Commerzone campus is planned to house a total of six buildings. Amongst all the buildings in the campus, one under-construction building, one future development building and two completed buildings are part of the Subject Property.

Completed Building – Building 3 & 6

Building 3 and 6 which are SEZ buildings, recently completed and have received Occupancy Certificate, admeasures ~ 1.3 Million sq. ft. of leasable area. The building 3 is currently completely occupied and is 12 floors tall and building 6 is partially occupied which is 13 floors tall.

Under-Construction –

Buildings 4 and 5 are IT buildings admeasuring ~1.3 Million sq. ft. of total leasable area and will be 13 floors tall. Construction of building 5 has been initiated and building 4 is being planned.

The entire campus has common parking and has a podium floor. Podium floor will house all the common amenities for the six buildings in the campus.

The Subject Property is spread out over approximately 26 acres of land parcel. Located on the Grant road, it enjoys good frontage. Further, basis the perusal of the site map provided by the client; it has been observed that the plot is slightly irregular in shape.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 2-3 kms from Nagar Road
- Approximately 8-9 kms from Pune International Airport
- Approximately 11-12 kms from Pune Railway Station

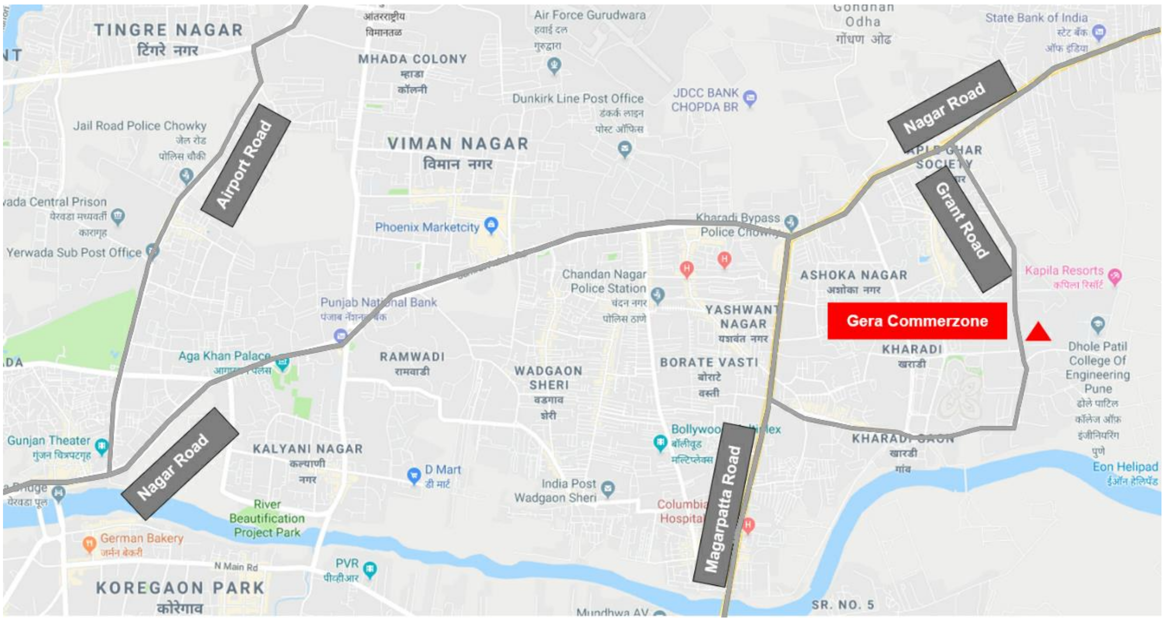
4.9.5 Statement of Assets

Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has under-construction and future buildings only, admeasuring approximately 2.6 million sq. ft. of leasable area. The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 3 (Plot 65)	531,373	SEZ	Completed
Building 4 (Plot 65)	605,500	Non-SEZ	Future Development
Building 5 (Plot 65)	675,617	Non-SEZ	Under-construction
Building 6 (Plot 65)	753,094	SEZ	Completed
Total	**2,565,584**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Lease and License Agreement

4.9.6 Location Map



(Map not to Scale)

4.9.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	Q1 FY 2024-25
Current Effective Rent	INR/sq ft/mth	69
Achievable Market Rent	INR/sq ft/mth	78
Parking Charges	INR/bay/mth	N.A.
Development Assumptions		
Remaining Capital Expenditure	INR Million	Future Development: 10,179
Expected Completion	Qtr, Year	Q3 FY 2023-24
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

4.9.8 Power Distribution Services

In accordance with Section 14 (b) of the Electricity Act, 2003 read with Section 4(1) of the SEZ Act, 2005, entities that own and operate SEZ Parks are considered Deemed Distribution Licensee for supplying electricity to consumers within the SEZ area. Pursuant to the above regulations, KRC Infrastructure and Projects Private Limited (SPV) also has the license to distribute power within the Subject Property, wherein it procures power from Power generators/traders supplying to the grid and then distribute it to the end consumers within the Subject Property.

4.9.9 Valuation Approach for Power Distribution Services

The detailed tariff petition submitted to Maharashtra Electricity Regulatory Commission (MERC or the Commission), by two of the SPVs, namely Gigaplex Estate Private Limited and Mindspace Business Parks Private Limited has been taken as the basis on which KRC Infrastructure and Projects Private Limited is expected to file its tariff petition. The Commission in those petitions determined the tariff that may be charged to the customers/operators within the Subject Property allowing the licensee to charge cost plus mark up as approved by the Commission to the end users. This mark-up is equivalent to return on its investment comprising annual depreciation on investment, interest expenses on notional debt and return on equity.

4.9.10 Valuation Methodology for Power Distribution Services

Referring to the Commission's latest order for the operational facility, the cash flows from the power distribution services are projected in the following manner:

Step 1: Amount of approved Gross Fixed Assets (“GFA”) is considered.

Step 2: Further, Net Fixed Asset (NFA) which is GFA reduced by accumulated depreciation allowed as on date is computed.

Step 3: To compute the EBITDA, mainly return on equity, interest on notional debt, recovery of depreciation, interest on working capital have been added.

Step 4: Power procurement, operational and maintenance expenses are allowed completely pass through.

4.9.11 Valuation Assumptions for Power Distribution Services

Following are the key assumptions for proposed license in line with Commission’s order for Kharadi, Pune.

Assumptions	Unit	Figure
Gross Fixed Assets (GFA)	INR Million	146
Notional Equity (30% of GFA)	INR Million	-4
Notional Debt as on March 2020 (70% of GFA)	INR Million	44
Depreciation rate (Straight Line Method)	% pa	5.3%
Remaining License Period	years	25
WACC	%	10.50

4.9.12 Market Value

The market value of the economic interest of Mindspace REIT in the Subject Property comprising only Plot 65 (excluding Facilities Management Services), as on 31 March 2020, is as follows

INR 15,486 Million

(Indian Rupees Fifteen Billion Four Hundred and Eighty-Six Million Only)

Note: The above-mentioned value includes the undivided ownership share in the common facilities and infrastructure of the entire campus.

4.9.13 Facilities Management Services

KRC Infrastructure and Projects Private Limited has planned to commence facility management business from the 1st day of the quarter following the listing of Mindspace REIT. For the purpose of valuation, its assumed that the Facilities Management Services will commence effective October 1, 2020 to provide such services to the Subject Properties within the portfolio as well as properties with ownership interests of/owned by third parties within the same parks as the Subject Properties of the Portfolio (as mentioned in the following table). Deferment of commencement of Facilities Management Services beyond October 1, 2020 would result in suitable adjustments to the valuation. Facility management services include housekeeping services, management of MEP equipment, façade cleaning, security expenses, repair and maintenance, maintenance of common areas etc. Service charges are levied on a cost plus mark-up basis to the SPVs owned by REIT, which has ownership interest in the Subject Properties.

The facilities management services business shall operate under the brand name CAMPLUS and shall manage the existing operational buildings / area in the Portfolio. In addition, area under-construction/ future development shall also be managed by KRC Infrastructure and Projects Private Limited on completion.

4.9.14 Key Assumptions

Existing Operational Building which will be under facility management	Total area of ~23.9 million sq ft. as at (March 31, 2020) Mix of SEZ and non SEZ building.	The revenue of facility management is linked to the expense for such facility plus mark up, the growth in the revenues from existing tenants are in line with the inflation expectation of 5%.
Expansion in Existing business and Buildings under construction	Total area of ~4.6 million sq ft.	For future development/proposed buildings, revenue and margins of existing properties is considered as a base to compute the projected cash flows of new buildings. Growth in revenue is linked to the improvement in occupancy plus 5% revenue growth from existing tenants. Initially those buildings are likely to have lower margins due to lesser occupancy.

For the purpose of arriving at terminal year income multiple, Indian and International comparable companies listed on various stock exchanges were studied. It was observed that International companies with primary business of facility/property management trade at 10 - 13 times EV/EBITDA multiple. However, there are very limited comparable facility management listed companies. Listed comparable in India trades at around 17x EV/EBITDA multiple. This comparable company offers facility management services in India including security services, cash logistic etc. Given the fact that facility/property management business is limited to Subject Properties within the portfolio as well as properties with ownership interests of/owned by third parties within the same parks as the Subject Properties of the portfolio, we have considered the EV/EBITDA multiple of 13x to compute the exit value post 10 years of cashflows. For the purpose of discounting the future cash flows, a Weighted Average Cost of Capital (WACC) of 11.75% has been used.

4.9.15 Market Value of Facility Management Services

The market value of the full ownership interest in the facility/property management business, as on 31 March 2020 is as follows:

INR 5,532 Million

(Indian Rupees Five Billion Five Hundred and Thirty-Two Million Only)

4.10 THE SQUARE, NAGAR ROAD, PUNE

4.10.1 Property Name

The Square is a commercial office development located within the Secondary Business District East (SBD East) micro-market at Nagar Road, Pune in the state of Maharashtra.

4.10.2 Address

The Square, Ahmednagar Road, Village Vadgaon Sheri, Taluka Haveli, District Pune, Maharashtra, 411014

4.10.3 Land/Plot Area

Based on the review of Title Report/Architect’s Certificate (for Mindspace Business Parks Private Limited), it is understood that the total land area of the Subject Property is approximately 10.1 acres.

4.10.4 Brief Description

The Square is a Grade A, Office Building in Viman Nagar, Pune. The Subject Property has two buildings - IT building and Mall building (an erstwhile retail development converted into IT/ITeS Office). The Mall building houses a PVR multiplex and remaining space is used as an office space by IT/ITeS occupiers.

The Mall building is located at the entrance of the Subject Property and IT building situated behind it. There is one main entrance to the Subject Property from Nagar Road. IT building is also facilitated with separate gate which is accessible from the lane connecting Nagar Road.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 1 km from Viman Nagar Chowk
- Approximately 4-5 kms from International Airport Pune
- Approximately 7-8 kms from Pune Railway Station
- Approximately 10-11 kms from Shivajinagar
- Approximately 11-12 kms from Pune University

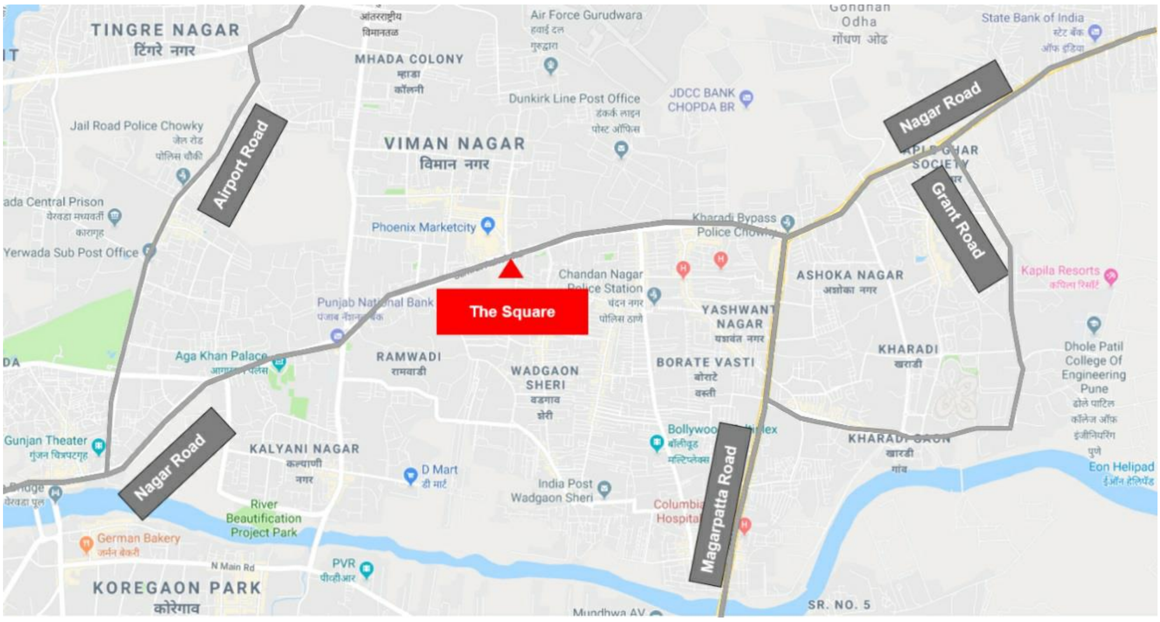
4.10.5 Statement of Assets

Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has two ready and operational buildings collectively admeasuring approximately 0.7 million sq. ft. of leasable area. The building wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
IT Building	187,020	Non-SEZ	Completed
Mall Building	555,802	Non-SEZ	Completed
Total	**742,822**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

4.10.6 Location Map



(Map not to Scale)

4.10.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	N.A.
Current Effective Rent	INR/sq ft/mth	61
Achievable Market Rent	INR/sq ft/mth	78
Parking Charges	INR/bay/mth	1,500
Development Assumptions		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 30
Expected Completion	Qtr, Year	Q2 FY2021-22
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

4.10.8 Market Value

The market value of the full ownership interest in the Subject Property, as on 31 March 2020, is as follows

INR 8,094 Million

(Indian Rupees Eight Billion and Ninety-Four Million Only)

4.11 COMMERZONE PORUR, CHENNAI

4.11.1 Property Name

Commerzone Porur is a commercial office development located within the South West micro-market at Porur, Chennai in the state of Tamil Nadu.

4.11.2 Address

The address of the Subject property is No. 111/168, Mount Poonamalle Road, Porur, Chennai – 600116

4.11.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Horizonview Properties Private Limited), it is understood that the total land area of the subject property is approximately 6.1 acres.

4.11.4 Brief Description

The Subject Property is an under-construction IT Park named "Commerzone" spread across a land area of the approximately 6.1 acres consisting of two Towers,. The economic interest of the Mindspace REIT in the Subject property is approximately 0.8 million sq. ft., which is expected to be operational by Q1 FY 2020-2021. The other amenities in the park include crèche, gym, food court, etc.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 2-3 kms from MIOT International Hospital
- Approximately 11-12 kms from Chennai International Airport
- Approximately 7-8 kms from Guindy Metro Station
- Approximately 22-23 kms from MGR Central Railway station

4.11.5 Statement of Assets

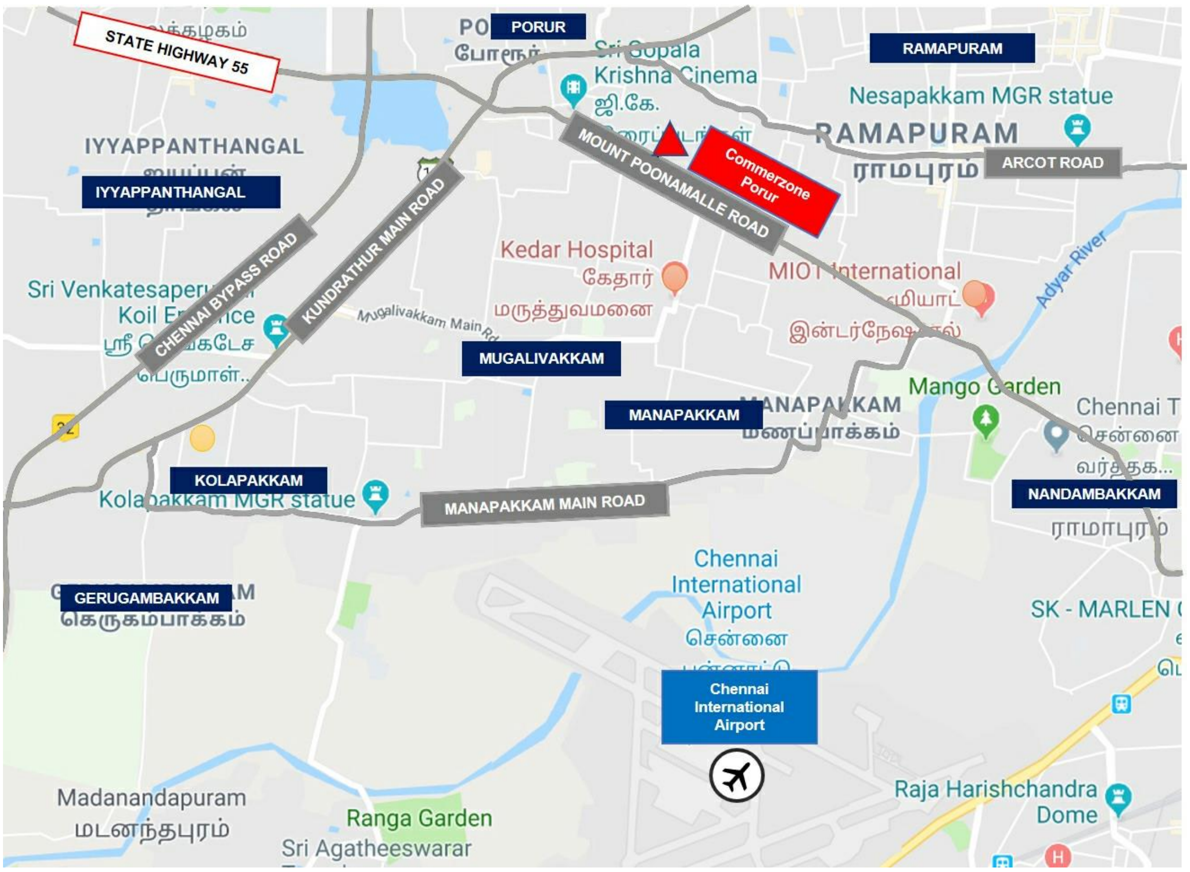
Based on the review of various documents like title reports, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property is an under-construction building which consists of two towers collectively admeasuring approximately 0.8 million sq. ft. of leasable area. `The building wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.) (Mindspace REIT Share)[1]	Usage type	Status
Tower A&B	809,794	Non-SEZ	Under-construction

Source: Architect's Certificate

1. As informed by the Client

4.11.6 Location Map



(Map not to Scale)

4.11.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	Q3 FY 2021-22
Current Effective Rent	INR/sq ft/mth	N. A
Achievable Market Rent	INR/sq ft/mth	70
Parking Charges	INR/bay/mth	2,500
Development Assumptions		
Remaining Capital Expenditure	INR Million	Under-construction: 806
Expected Completion	Qtr, Year	Q1 FY 2020-21
Other Financial Assumptions		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	N.A.
WACC (Under-construction/Future Development)	%	13.10

4.11.8 Market Value

The market value of the economic interest of Mindspace REIT in the Subject Property, as on 31 March 2020 is as follows;

INR 5,946 Million

(Indian Rupees Five Billion Nine Hundred and Forty-Six Million Only)

Note: The above-mentioned value includes the undivided ownership share in the common facilities and infrastructure of the entire campus.

4.12 MINDSPACE POCHARAM, HYDERABAD

4.12.1 Property Name

Mindspace Pocharam is a commercial office development located within the Peripheral East micro-market in Hyderabad in the state of Telangana.

4.12.2 Address

Mindspace Pocharam, Survey Nos. 2/1 (part), 2/2 (part), 2/3 (part), 2/4 (part), 6, 7, 8, 9 and 10 (part) Pocharam Village, Ghatkesar Mandal, Medchal Malkajigiri, Telangana

4.12.3 Land/Plot Area

Based on the review of Title Report/Architect's Certificate (for Mindspace Business Parks Private Limited), it is understood that the underlying land area of the Subject Property is approximately 66.5 acres.

4.12.4 Brief Description

Mindspace, located in Pocharam, Hyderabad is an SEZ property and has three components i.e. one operational building, one under-construction building and approximately 59.0 acres of land for future development. Building 8 is an operational building while Building 9 is under-construction building.

The Subject Property is well connected to major locations in the city via road network. The distance of the Subject Property from major landmarks in the city is as follows:

- Approximately 1 km from Hyderabad – Warangal National Highway (NH-202)
- Approximately 3 km from Outer Ring Road at Ghatkesar
- Approximately 25 km from Secunderabad Railway Station
- Approximately 55 km from Shamshabad International Airport

4.12.5 Statement of Assets

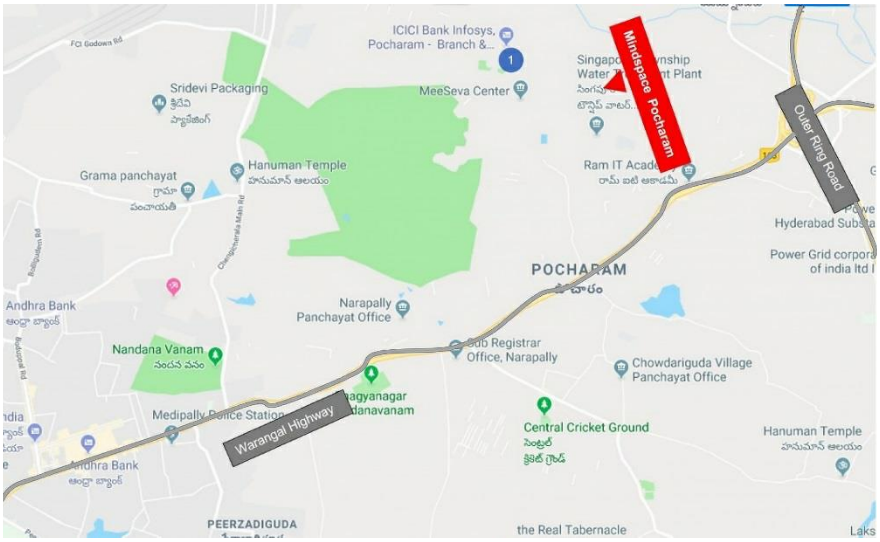
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has one operational building and one under-construction building collectively admeasuring approximately 0.6 million sq. ft. of leasable area. In addition to these two buildings, the Subject Property has approximately 59.0 acres of land for future development. There is a potential to develop approximately 0.4 million sq. ft. of leasable area in the area which is expected to continue as SEZ.

The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 8	377,422	SEZ	Completed
Building 9	192,681	SEZ	Under-construction
Future Development Building	429,897	SEZ/Non-SEZ	Future Development
Total	**1,000,000**		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

4.12.6 Location Map



4.12.7 Key Assumptions

Particulars	Unit	Information
Revenue Assumptions (as on 31/03/2020)		
Lease Completion	Qtr, Year	Q4 FY 2020-21
Current Effective Rent	INR/sq ft/mth	20
Achievable Market Rent	INR/sq ft/mth	25
Parking Charges	INR/bay/mth	2,000
Development Assumptions		
Remaining Capital Expenditure	INR Million	Under-construction: 61
Expected Completion	Qtr, Year	Q2 FY 2023 - 2024
Other Financial Assumptions		
Cap Rate	%	8.50
WACC (Complete/Operational)	%	12.25
WACC (Under-construction/Future Development)	%	13.60

4.12.8 Market Value

The market value of the full ownership interest in the Subject Property as on 31 March 2020 is as follows:

INR 2,984 Million [1]

(Indian Rupees Two Billion Nine Hundred and Eighty-Four Million Only)

Note:

[1] Future development is being valued as market value of underlying land

The above value includes the market value of land for future development based on market comparables, admeasuring approximately 59.0 acres as on 31 March 2020, as mentioned hereunder:

INR 1,181 Million

(Indian Rupees One Billion One Hundred and Eighty-One Million Only)

The above value of land for future development includes approximately 40.0 acres land parcel valued at INR 800 Million (Indian Rupees Eight Hundred Million Only), which may be considered for sale.