



Date: November 11, 2020

To,

**The National Stock Exchange of India Ltd.**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G- Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai- 400051.

**BSE Limited**

25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

**Scrip Symbol "MINDSPACE" (Units)**

**Scrip Code "543217" (Units) and  
Scrip Code "960104" (Debentures)**

**Subject: Outcome of the Meeting of the Governing Board ("Board") of K Raheja Corp Investment Managers LLP ("Manager"), manager to Mindspace Business Parks REIT ("Mindspace REIT") held on Wednesday, November 11, 2020**

Dear Sir/Madam,

We wish to inform you that the Governing Board of the Manager of Mindspace REIT, at its meeting held on Wednesday, November 11, 2020, through audio-visual electronic communication has, *inter-alia*:

- i. approved the Unaudited Condensed Standalone Interim Financial Statements and Unaudited Condensed Consolidated Interim Financials Statements of Mindspace REIT for the quarter and six months ended September 30, 2020,
- ii. adopted valuation report for the half year ended September 30, 2020, issued by Mr. Shubhendu Saha, valuer of Mindspace REIT,
- iii. declared Net Asset Value of Rs. 338.41 per Unit for Mindspace REIT as per Regulation 10(22) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, based on the Valuation Report dated November 3, 2020, issued by Mr. Shubhendu Saha, valuer of Mindspace REIT,
- iv. approved reconstitution of the Nomination and Remuneration Committee as follows:

Constitution	Category
Mr. Bobby Parikh (Chairperson)	Independent Member of the Governing Board
Ms. Manisha Girotra (Member)	Independent Member of the Governing Board
Mr. Ravi C. Raheja (Member)	Non-Independent Member of the Governing Board

- v. approved of formation of the Investment Committee as follows to *inter-alia* consider and recommend proposals for acquisition of real estate assets as permitted under Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014:

Constitution	Category
Mr. Deepak Ghaisas (Chairperson)	Independent Member of the Governing Board
Ms. Manisha Girotra (Member)	Independent Member of the Governing Board
Mr. Neel C. Raheja (Member)	Non-Independent Member of the Governing Board

**K Raheja Corp Investment Managers LLP**

**LLP Identification Number (LLPIN): AAM-1179**

**Regd. Office: Raheja Tower, plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (E), Mumbai – 400 051**

**Phone: +91 – 22- 2656 4000 | mindspacereit.com**



- vi. accepted the resignation of Mr. Vishal Kumar, Compliance Officer of Mindspace REIT with effect from the close of business hours of November 11, 2020. The Board placed on record its sincere appreciation for the invaluable contribution made by Mr. Vishal Kumar,
- vii. appointed Mr. Rohit Bhasse as the Compliance Officer of Mindspace REIT with effect from commencement of business on November 12, 2020. The Board welcomed Mr. Rohit Bhasse as the Compliance Officer.

Further, we have enclosed:-

1. Unaudited Condensed Standalone Interim Financial Statements and Unaudited Condensed Consolidated Interim Financials Statements of Mindspace REIT for the quarter and six months ended September 30, 2020 along with the Limited Review Report thereon by the Statutory Auditors as **Annexure 1**;
2. Press Release in connection with the Unaudited Condensed Standalone Interim Financial Statements and Unaudited Condensed Consolidated Interim Financials Statements of Mindspace REIT for the quarter and six months ended September 30, 2020 as **Annexure 2**;
3. Earnings presentation for quarter and six months ended September 30, 2020 comprising of the Business and Financial Results of Mindspace REIT for the quarter and six months ended September 30, 2020 as **Annexure 3**;
4. Summary Valuation Report for the half year ended September 30, 2020, issued by Mr. Shubhendu Saha, valuer of Mindspace REIT as **Annexure 4**;
5. Independent Property Consultant Report issued by Cushman & Wakefield India Private Limited, on review of the assumptions and the methodologies used for the valuation by Mr. Shubhendu Saha, valuer of Mindspace Business Parks REIT in his Valuation Report for the half year ended September 30, 2020, as **Annexure 5**.

The details of related party transactions are set out at page nos. 18 to 21 of the Unaudited Condensed Standalone Interim Financial Statement and at page nos. 46 to 49 of the Unaudited Condensed Consolidated Interim Financial Results of Mindspace REIT, which is enclosed as Annexure 1.

The computation of Net Asset Value is set out at page no. 8 of Earnings presentation, which is enclosed as Annexure 3.

Please take the same on your record.

Thanking you,  
**For and on behalf of K Raheja Corp Investment Managers LLP**  
**(acting as the Manager to Mindspace Business Parks REIT)**

A handwritten signature in blue ink, appearing to read "Preeti Chheda".

**Authorised Signatory**  
**Name: Preeti Chheda**  
**Designation: Chief Financial Officer**  
**Place: Mumbai**  
**Encl: As above**

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS**

To  
The Governing Board,  
K. Raheja Corp Investment Managers LLP (The "Investment Manager")  
(Acting in capacity as the Investment Manager of Mindspace Business Parks REIT)

1. We have reviewed the accompanying unaudited Condensed Standalone Interim Financial Statements of **MINDSPACE BUSINESS PARKS REIT** (the "REIT"), which comprise the unaudited Condensed Balance Sheet as at September 30, 2020, the unaudited Condensed Statement of Profit and Loss, including other comprehensive income, the unaudited Condensed Statement of Cash Flow for quarter and six months ended September 30, 2020, the unaudited Condensed Statement of changes in Unitholders' Equity for the six months ended September 30, 2020 along with summary of the significant accounting policies and select explanatory notes (together hereinafter referred as the "Condensed Standalone Interim Financial Statements").
2. The Condensed Standalone Interim Financial Statements, which is the responsibility of the Investment Manager and approved by the Governing Board of the Investment Manager, have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "SEBI circular"); recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI circular, including any guidelines and circulars issued thereunder. Our responsibility is to issue a report on the Condensed Standalone Interim Financial Statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Investment Manager's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Deloitte  
Haskins & Sells LLP**

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Condensed Standalone Interim Financial Statements have not been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI circular, including any guidelines and circulars issued thereunder, has not disclosed the information required to be disclosed including the manner in which it is to be disclosed in terms of the SEBI circular, or that it contains any material misstatement.

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



**Nilesh Shah**  
Partner

Membership No. 49660  
UDIN: 20049660AAAACU4242

Mumbai, November 11, 2020

**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

**Condensed Standalone Balance Sheet**

(all amounts in Rs. million unless otherwise stated)

	Note	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
- Investments	4	153,103	-
- Loans	5	10,108	-
- Other financial assets	6	0	-
Other non-current assets	7	3	-
<b>Total non-current assets</b>		<b>163,214</b>	<b>-</b>
<b>Current assets</b>			
Financial assets			
- Cash and cash equivalents	8	4,746	0
Other current assets	9	4	-
<b>Total Current assets</b>		<b>4,750</b>	<b>0</b>
<b>Total assets</b>		<b>167,964</b>	<b>0</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Corpus	10	0	0
Unit Capital	11	162,839	-
Other Equity	12	65	(49)
<b>Total Equity</b>		<b>162,904</b>	<b>(49)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	13	4,972	-
- Other financial liabilities	14	2	-
<b>Total non-current liabilities</b>		<b>4,974</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
- Trade payables	15	-	-
- total outstanding dues of micro and small enterprises; and		-	-
- total outstanding dues of Creditors other than micro and small enterprises.		8	-
- Other financial liabilities	16	59	49
Current tax liabilities (net)	17	2	-
Other current liabilities	18	17	-
<b>Total current liabilities</b>		<b>86</b>	<b>49</b>
<b>Total equity and liabilities</b>		<b>167,964</b>	<b>0</b>

See the accompanying notes to the Condensed Standalone Financial Statements

I - 33

As per our report of even date attached.

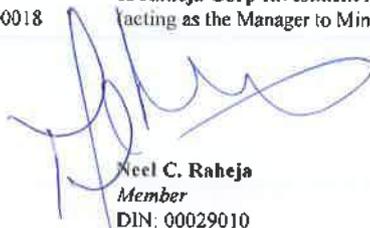
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's registration number: 117366W/W-100018

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



Nilesh Shah  
Partner  
Membership number: 49660

Place: Mumbai  
Date: 11 Nov 2020



Neel C. Raheja  
Member  
DIN: 00029010

Place: Mumbai  
Date: 11 Nov 2020



Vinod N. Rohira  
Chief Executive Officer  
DIN: 00460667

Place: Mumbai  
Date: 11 Nov 2020



Preeti N. Chheda  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date: 11 Nov 2020

**MINDSPACE BUSINESS PARKS REIT****RN:IN/REIT/19-20/003****Condensed Standalone Statement of Profit and Loss****(all amounts in Rs. million unless otherwise stated)**

	Note	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)*
<b>Income and gains</b>					
Interest	19	125	-	125	-
Other Income	20	4	-	4	-
<b>Total Income</b>		<b>129</b>	<b>-</b>	<b>129</b>	<b>-</b>
<b>Expenses</b>					
Valuation expenses		6	-	6	-
Audit fees		1	1	2	1
Insurance expenses		0	-	0	-
Trustee fees		1	-	1	-
Legal and professional fees		(1)	3	2	25
Other expenses	21	(1)	1	0	23
<b>Total Expenses</b>		<b>6</b>	<b>5</b>	<b>11</b>	<b>49</b>
<b>Earnings/ (loss) before finance costs, depreciation, amortisation and income tax</b>					
		123	(5)	118	(49)
Finance costs	22	2	-	2	-
Depreciation and amortisation expense		-	-	-	-
<b>Profit/ (loss) before tax</b>		<b>121</b>	<b>(5)</b>	<b>116</b>	<b>(49)</b>
<b>Tax expense:</b>					
Current tax	23	2	-	2	-
Deferred tax		-	-	-	-
		2	-	2	-
<b>Profit/ (loss) for the period</b>		<b>119</b>	<b>(5)</b>	<b>114</b>	<b>(49)</b>
<b>Items of other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of defined benefit liability, net of tax					
<b>Total comprehensive income for the period</b>		<b>119</b>	<b>(5)</b>	<b>114</b>	<b>(49)</b>
<b>Earning per unit - refer Note 24</b>					
Basic		0.29	Not Applicable	0.56	Not Applicable
Diluted		0.29	Not Applicable	0.56	Not Applicable

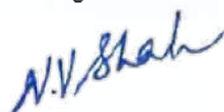
See the accompanying notes to the Condensed Standalone Financial Statements. 1 - 33

\*Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Condensed Standalone Statement of Profit and Loss with effect from said period i.e. 18 November 2019 for the period ended 31 March 2020. Consequently, the information for corresponding quarter and half year ending 30 June 2019 and 30 September 2019 have not been presented.

As per our report of even date attached.

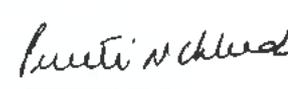
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's registration number: 117366W/W-100018

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

  
Nilesh Shah  
Partner  
Membership number: 49660

  
Neel C. Raheja  
Member  
DIN: 00029010

  
Vinod N. Rohira  
Chief Executive Officer  
DIN: 00460667

  
Preeti N. Chheda  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date: 11 Nov 2020

**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Condensed Standalone Statement of Cash Flows**  
(all amounts in Rs. million unless otherwise stated)

	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)*
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	121	(5)	116	(49)
Adjustments:				
Interest income	(125)	-	(125)	-
Net gains/(losses) on financial assets at fair value through profit or loss	(3)	-	(3)	-
Gain on redemption of mutual fund units	(1)	-	(1)	-
Finance costs	2	-	2	-
<b>Operating cash flows before working capital changes</b>	<b>(6)</b>	<b>(5)</b>	<b>(11)</b>	<b>(49)</b>
Changes in:				
Increase in Other non current assets	(3)	-	(3)	-
Increase in Other current assets	(4)	-	(4)	-
Decrease in Other current financial liabilities	(54)	3	(51)	49
Increase in Other current liabilities	17	-	17	-
Increase in Trade payables	6	2	8	-
<b>Cash (used in)/ generated from operation</b>	<b>(44)</b>	<b>(0)</b>	<b>(44)</b>	<b>0</b>
Income taxes paid, net	-	-	-	-
<b>Net cash generated / (used in) from operating activities</b>	<b>(44)</b>	<b>(0)</b>	<b>(44)</b>	<b>0</b>
<b>Cash flow from investing activities</b>				
Loans given to SPVs	(10,292)	-	(10,292)	-
Loans repaid by SPV	184	-	184	-
Purchase of Investments (Preference shares)	(334)	-	(334)	-
Investment in mutual fund	(4,600)	-	(4,600)	-
Proceeds from Redemption of mutual fund	4,601	-	4,601	-
Proceeds from Redemption of Preference shares	337	-	337	-
Investment in fixed deposits	(100)	-	(100)	-
Maturity proceeds of fixed deposits	100	-	100	-
Interest received	125	-	125	-
<b>Net cash (used in) investing activities</b>	<b>(9,979)</b>	<b>-</b>	<b>(9,979)</b>	<b>-</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of units	10,000	-	10,000	-
Collection towards Offer For Sale	35,000	-	35,000	-
Payment to Sponsor Group and Blackstone entities in respect of Offer For Sale	(34,973)	-	(34,973)	-
Expenses incurred towards Initial Public Offering	(254)	-	(254)	-
Proceeds from Issue of Non-convertible debentures	5,000	-	5,000	-
Non-convertible debentures issue expenses	(4)	-	(4)	-
<b>Net cash generated from financing activities</b>	<b>14,769</b>	<b>-</b>	<b>14,769</b>	<b>0</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,746</b>	<b>(0)</b>	<b>4,746</b>	<b>0</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,746</b>	<b>0</b>	<b>4,746</b>	<b>0</b>
<b>Cash and cash equivalents comprise:</b>				
Cash on hand	-	-	-	-
Balances with banks				
- in current accounts**	4,617	0	4,617	0
- in escrow accounts	34	-	34	-
Fixed deposits with original maturity less than 3 months	95	-	95	-
<b>Cash and cash equivalents at the end of the period</b>	<b>4,746</b>	<b>0</b>	<b>4,746</b>	<b>0</b>

Note: The Trust has issued Units in exchange for investments in SPVs during the period ended 30 September 2020. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions. (refer note 11(iii))

See the accompanying notes to the Condensed Standalone Financial Statements 1-33

\*Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Condensed Standalone Statement of Cash Flow with effect from said period i.e. 18 November 2019 for the period ended 31 March 2020. Consequently, the information for corresponding quarter and half year ending 30 June 2019 and 30 September 2019 have not been presented.

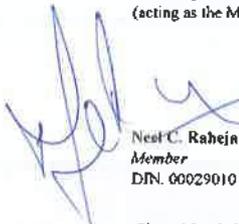
\*\* Rs. 4,600 million were invested in Axis Overnight Fund by Mindspace REIT on 29 September 2020, redeemed on 30 September 2020 and proceeds were received on 1 October 2020.

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  
(acting as the Manager to Mindspace Business Parks REIT)

  
Nitesh Shah  
Partner  
Membership number: 49660

  
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Vinod N. Rohira  
Chief Executive Officer  
DIN: 00460667

  
Preeti N. Chheda  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date: 11 Nov 2020

**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Standalone Statement of changes in Unit holder's Equity**  
**(all amounts in Rs. million unless otherwise stated)**

A. Corpus	Amount
Balance as on 18 November 2019*	-
Corpus received during the period**	0
Balance as on 31 March 2020	0
<b>Balance as on 1 April 2020</b>	<b>0</b>
Additions during the period	-
<b>Closing balance as at 30 September 2020</b>	<b>0</b>

\*\* Corpus received during the period Rs. 10,000

B. Unit Capital	Amount
Balance as on 18 November 2019*	-
Units issued during the year	-
Balance as on 31 March 2020	-
<b>Balance as on 1 April 2020</b>	<b>-</b>
Add : Units issued during the period	163,080
Less : Issue expenses	(241)
<b>Closing balance as at 30 September 2020</b>	<b>162,839</b>

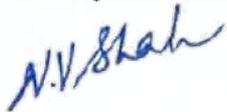
C. Other equity		
Particulars	Retained Earnings	Retained Earnings
Balance as on 18 November 2019*	-	-
Loss for the period	(49)	(49)
Other comprehensive income for the period	-	-
<b>Balance at 31 March 2020</b>	<b>(49)</b>	<b>(49)</b>
<b>Balance as at 1 April 2020</b>	<b>(49)</b>	<b>(49)</b>
Profit for the period	114	114
Other comprehensive income for the period	-	-
<b>Balance at 30 September 2020</b>	<b>65</b>	<b>65</b>

\*Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Condensed Standalone Statement of changes in Unit holder's Equity with effect from said period i.e. 18 November 2019 for the period ended 31 March 2020. Consequently, the information for corresponding quarter and half year ending 30 June 2019 and 30 September 2019 have not been presented.

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**  
(acting as the Manager to Mindspace Business Parks REIT)



**Nilesh Shah**  
Partner  
Membership number: 49660

Place: Mumbai  
Date : 11 Nov 2020



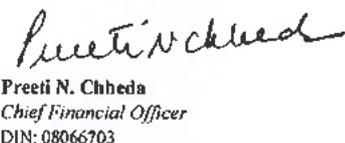
**Neel C. Raheja**  
Member  
DIN: 00029010

Place: Mumbai  
Date : 11 Nov 2020



**Vinod N. Rohira**  
Chief Executive Officer  
DIN: 00460667

Place: Mumbai  
Date : 11 Nov 2020



**Preeti N. Chheda**  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date : 11 Nov 2020

**1 Mindspace REIT background**

Mindspace Business Parks REIT ('Mindspace REIT') was settled on 18 November 2019 at Mumbai, Maharashtra, India as a contributory determinate irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to a trust deed dated 18 November 2019. Mindspace REIT was registered with SEBI on 10 December 2019, at Mumbai as a REIT pursuant to the REIT Regulations having registration number IN/REIT/19-20/0003. The Trust's principal place of business address is at Raheja Tower, Level 8, Block 'G', C-30, Bandra Kurla Complex, Mumbai - 400 051.

Anbee Constructions LLP (ACL) and Cape Trading LLP ('CTL') are the sponsors of Mindspace REIT. The Trustee to Mindspace REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Mindspace REIT is K Raheja Corp Investment Managers LLP (the 'Manager').

The objectives and principal activity of Mindspace REIT is to carry on the activity of a real estate investment trust, as permissible under the REIT Regulations, to raise funds through the REIT, to make investments in accordance with the REIT Regulations and the investment strategy and to carry on the activities as may be required for operating the REIT, including incidental and ancillary matters thereto.

Mindspace REIT acquired the Special Purpose Vehicles ('SPVs') by acquiring all the equity interest held by the Sponsor Group and Blackstone entities in the SPVs on 30 July 2020. In exchange for these equity interests, the above shareholders have been allotted 55,66,54,582 units of Mindspace REIT on 30 July 2020 which were valued at Rs. 275 each.

Mindspace REIT went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The units were allotted to the successful applicants on 4 August 2020.

All these units were subsequently listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on 7 August. Accordingly, the equity interest in each of the below SPVs have been transferred from the respective shareholders to the Mindspace REIT.

1. Mindspace Business Parks Private Limited (MBPPL)
2. Gigaplex Estate Private Limited (Gigaplex)
3. Sundew Properties Limited (Sundew)\*
4. Intime Properties Limited (Intime)\*
5. K. Raheja IT Park (Hyderabad) Limited (KRIT)\*
6. KRC Infrastructure and Projects Private Limited (KRC Infra)
7. Horizonview Properties Private Limited (Horizonview)
8. Avacado Properties and Trading (India) Private Limited (Avacado)

\* Remaining 11% of ownership interest in Intime Properties Limited, K. Raheja IT Park (Hyderabad) Limited and Sundew Properties Limited is owned by Andhra Pradesh Industrial Infrastructure Corporation (APIIC)

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

Name of the SPV	Activities	Shareholding (in percentage) upto 30 July 2020	Shareholding (in percentage) from 30 July 2020
MBPPL	The SPV is engaged in real estate development projects such as Special Economic Zone (SEZ), Information Technology Parks and other commercial assets. The SPV has its projects in Airoli (Navi Mumbai), Pune and Pocharam (Hyderabad). The SPV is a deemed distribution licensee pursuant to which it can distribute power to the SEZ tenants within the Park. It commenced distribution of electricity in its project at Airoli, Navi Mumbai from 9 April 2015.	BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. 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%)	Mindspace REIT : 100%
Gigaplex	The SPV is engaged in real estate development projects such as Special Economic Zone (SEZ), Information Technology Parks and other commercial assets. The SPV has its projects in Airoli (Navi Mumbai). The SPV is a deemed distribution licensee pursuant to which it can distribute power to the SEZ tenants within the Park. It commenced distribution of electricity in its project at Airoli, Navi Mumbai from 19 April 2016.	K Raheja Corp Private Limited (58.90%) Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja (37.50%) BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. Others (0.01%)	Mindspace REIT : 100%



Sundew	The SPV is engaged in development and leasing/licensing of IT park, SEZ to different customers in Hyderabad.	Genext Hardware & Parks Private Limited BREP ASIA SG Pearl Holding (NQ) Pte Ltd Andhra Pradesh Industrial Infrastructure Corporation Limited (11%) Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja (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%)	Mindspace REIT : 89% Andhra Pradesh Industrial Infrastructure Corporation Limited (11%)
Intime	The SPV is engaged in development and leasing/licensing of IT park to different customers in Hyderabad.	Chandru Raheja jointly with Jyoti Raheja (23.98%) BREP Asia SG Pearl Holding (NQ) Pte Ltd. Andhra Pradesh Industrial Infrastructure Corporation Limited (11%) 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%)	Mindspace REIT : 89% Andhra Pradesh Industrial Infrastructure Corporation Limited (11%)
KRIT	The SPV is engaged in development and leasing/licensing of IT park to different customers in Hyderabad.	BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. Andhra Pradesh Industrial Infrastructure Corporation Limited (11%) 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 Chandru L Raheja jointly with Jyoti C. Raheja Others (4.83%)	Mindspace REIT : 89% Andhra Pradesh Industrial Infrastructure Corporation Limited (11%)
KRC Infra	The SPV is engaged in real estate development projects such as Special Economic Zone (SEZ) and Information Technology Parks. The SPV has its project in Kharadi Pune. The SPV is a deemed distribution licensee pursuant to which it can distribute power to the SEZ tenants within the Park. It commenced distribution of electricity in its project at Kharadi, Pune 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 BREP VIII SBS Pearl Holding (NQ) Ltd (0.02%) BREP ASIA SBS Pearl Holding (NQ) Ltd. (0.03%)	Mindspace REIT : 100%
Horizionview	The SPV is engaged in development and leasing/licensing of IT park to different customers in Chennai.	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. Others (0.05%)	Mindspace REIT : 100%
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. The SPV also has a commercial project in Bandra Kurla Complex, Mumbai.	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 Others (0.57%)	Mindspace REIT : 100%

## 2 Basis of Preparation

The Interim Condensed Standalone Financial Statements ('Condensed Standalone Financial statements') of the Mindspace REIT comprises the Condensed Standalone Balance Sheet as at 30 September 2020; the Condensed Standalone Statement of Profit and Loss, including other comprehensive income, the Condensed Standalone Statement of Cash Flow for the quarter and half year ended 30 September 2020, the Condensed Standalone Statement of Changes in Unit Holder's Equity for the half year ended 30 September 2020 and a summary of significant accounting policies and select explanatory information. The Condensed Standalone Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 (SEBI Regulations) as amended from time to time read with SEBI Regulations read with Circular No. CIR/IMD/DF/146/2016 dated 29 December 2016 (the "REIT regulations"); recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT regulations.



The Condensed Standalone Financial Statements were authorised for issue in accordance with resolution passed by the Governing Board of the Manager on behalf of the Trust on 11 November 2020.

Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Condensed Standalone Financial Statements with effect from said period ie 18 November 2019 for the period ended 31 March 2020. Also, the information for corresponding quarter and half year ending 30 June 2019 and 30 September 2019 have not been presented.

These Condensed Standalone Financial Statements, for the period ended 30 September 2020 have been the first condensed standalone financial statements of the Mindspace REIT consequent to Mindspace REIT being listed as of 7 August 2020.

The Condensed Standalone Financial Statements are presented in Indian Rupees in Million, except when otherwise indicated.

#### Statement of compliance to Ind-AS

These Condensed Standalone Financial Statements for the period ended 30 September 2020 are the financial statements of the Mindspace REIT and have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" read with in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (as amended and other accounting principles generally accepted in India), to the extent not inconsistent with SEBI Regulations read with circulars referred above

### 3 Significant accounting policies

#### a) Functional and Presentation Currency

The Condensed Standalone Financial Statements are presented in Indian Rupees, which is also the Mindspace REIT functional currency in which Mindspace REIT operates. All financial information presented in Indian Rupees has been rounded off to the nearest million except otherwise stated.

#### b) Basis of measurement

These Condensed Standalone Financial Statements are prepared on the historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instrument) measured at fair values;

#### c) Use of judgments and estimates

The preparation of the Condensed Standalone Financial Statements in conformity with generally accepted accounting principles in India including Ind AS and SEBI regulations 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 assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment are included in Note 3.8 on Investment in SPVs.

#### d) Current versus non-current classification

Mindspace REIT presents assets and liabilities in the 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 date, or
- Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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 date; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Mindspace REIT 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. Mindspace REIT has identified twelve months as its operating cycle.

#### e) Measurement of fair values

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

Mindspace REIT 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, Mindspace REIT 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. as 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 Impairment of assets

Mindspace REIT assesses at each reporting date, whether there is any indication that an asset may be impaired. If any such indication exists, the trust 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 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 Statement of Profit and Loss.

### 3.2 Asset Acquisition

If the acquisition of an asset or a group of assets does not constitute a business, the Mindspace REIT identifies and recognises the individual identifiable assets acquired including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets and liabilities assumed. The cost of the group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase and no goodwill is recognised.

Allocation of the cost of the group is done as follows:

For any identifiable asset or liability initially measured at an amount other than cost, the Mindspace REIT initially measures that asset or liability at the amount specified in the applicable Ind AS Standard. The Mindspace REIT deducts from the transaction price of the group the amounts allocated to the assets and liabilities initially measured at an amount other than cost, and then allocates the residual transaction price to the remaining identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

### 3.3 Foreign currency transactions

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 Statement of Profit and Loss of the year.

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

### 3.4 Compound financial instruments

The component parts of compound financial instruments issued by Mindspace REIT 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 Trust'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.

### 3.5 Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### 3.6 Tax expense

Income tax expense comprises current tax and deferred tax charge or credit. It is recognised in the Condensed Standalone 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 in equity and other comprehensive income respectively.

#### a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period 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 charge

Deferred tax asset/ liability is recognized on temporary differences between the carrying amounts of assets and liabilities in the Condensed Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured that are expected to apply to the period when the asset is realised or the liability is settled, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.



The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Mindspace REIT 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 recognized 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 assets and liabilities, 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 realized simultaneously.

### 3.7 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Mindspace REIT has a present legal or constructive obligation as a result of a past event, it is probable that the Trust 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 Mindspace REIT.

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

### 3.8 Investment in SPVs

The Company has elected to recognize its investments in SPVs at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

The details of such investments are given in Note 4.

Assets representing investments in SPVs are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

### 3.9 Financial instruments

#### 1 Initial recognition and measurement

Financial assets and/or financial liabilities are recognised when Mindspace REIT 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 Statement of Profit and Loss.

#### 2 Financial assets:

##### a) Classification of financial assets:

- (i) The Mindspace REIT 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 Statement of Profit and Loss), and
  - those measured at amortised cost.
- (ii) The classification is done depending upon Mindspace REIT business model for managing the financial assets and the contractual terms of the cash
- (iii) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (iv) Mindspace REIT 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 REIT business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Trust 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 Statement of Profit and Loss (FVTPL)**

Financial assets are subsequently measured at fair value through the 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 Statement of Profit and Loss.

**c) Impairment of financial assets:**

The Mindspace 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 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 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) Mindspace REIT has transferred its rights to receive cash flows from the asset; and Mindspace REIT has transferred substantially all the risks and rewards of the asset, or

Mindspace REIT 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 Statement of Profit and Loss. Any interest in transferred financial assets that is created or retained by the Mindspace REIT is recognised as a separate asset or liability.

**3.10 Financial liabilities and equity instruments**

**(a) Classification as debt or equity**

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

**Financial Liabilities**

**Recognition, measurement and classification**

Financial liabilities are classified as either held at a) fair value through the 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.

Mindspace REIT 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 Statement of Profit and Loss or at amortised cost. All changes in fair value of financial liabilities classified as FVTPL are recognised in the 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 derecognised when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

**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.

**3.11 Financial guarantee contracts**

Financial guarantee contracts issued by the REIT are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

When guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted as contributions and recognised as part of the cost of investment.

**3.12 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms.

Revenue is recognised when recovery of the consideration is probable and the amount of revenue can be measured reliably.

**Recognition of dividend income, interest income**

Dividend income is recognised in profit or loss on the date on which the Mindspace REIT's right to receive payment is established.

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



**3.13 Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

**3.14 Cash and cash equivalents**

Cash and cash equivalents comprises of cash at bank 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.

**3.15 Cash distribution to unit holders**

The Mindspace REIT recognises a liability to make cash distributions to Unitholders when the distribution is authorised and a legal obligation has been created. As per the REIT Regulations, a distribution is authorised when it is approved by the Governing Board of the Manager. A corresponding amount is recognised directly in equity.

**3.16 Condensed Standalone Statement of Cash flows**

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 REIT are segregated.

For the purpose of the 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 Trust's cash management.

**3.17 Subsequent events**

The Condensed Standalone Financial Statements are adjusted to reflect events that occur after the reporting date but before the Financial Statements are issued. The Financial Statements have their own date of authorisation. Therefore, when preparing the Financial Statements, management considers events up to the date of authorisation of these financial statements.

**3.18 Earnings per unit**

The basic earnings per unit is computed by dividing the net profit/ (loss) attributable to the unit holders of the 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 share or increase loss per units are included.

**3.19 Earnings before finance costs, depreciation, amortisation and income tax**

The Mindspace REIT has elected to present earnings before finance cost, depreciation, amortisation and income tax as a separate line item on the face of the Condensed Standalone Statement of Profit and Loss. The Mindspace REIT measures earnings before finance cost, depreciation, amortisation and income tax on the basis of profit/ (loss) from continuing operations. In its measurement, the Mindspace REIT does not include depreciation and amortisation expense, finance costs and tax expense.

**3.20 Errors and estimates**

Mindspace REIT 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 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.



**MINDSPACE BUSINESS PARKS REIT****RN:IN/REIT/19-20/003****Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**4 Non-current investments**

Particulars	As at 30 September 2020	As at 31 March 2020
<b>Trade, unquoted, Investments in SPVs (at cost)</b> (refer note below)		
- 39,75,000 (31 March 2020: Nil) equity shares of Avacado Properties and Trading Private Limited of Rs.10 each, fully paid up	9,482	-
- 11,765 (31 March 2020: Nil) equity shares of Horizonview Properties Private Limited of Rs.10 each, fully paid up	0	-
- 5,88,235 (31 March 2020: Nil) equity shares of KRC Infrastructure And Projects Private Limited of Rs.10 each, fully paid up	6,868	-
- 1,96,01,403 (31 March 2020: Nil) equity shares of Gigaplex Estate Private Limited of Rs.1 each, fully paid up	13,121	-
- 2,50,71,875 (31 March 2020: Nil) equity shares of Sundew Properties Limited of Rs.10 each, fully paid up	33,722	-
- 12,03,033 (31 March 2020: Nil) equity shares of Intime Properties Limited of Rs.10 each, fully paid up	15,478	-
-1,78,00,000 (31 March 2020: Nil) equity shares of K. Raheja IT Park (Hyderabad) Limited of Rs.10 each, fully paid up	25,618	-
- 81,513 (31 March 2020: Nil) equity shares of Mindspace Business Parks Private Limited of Rs.10 each, fully paid up	48,814	-
<b>Total</b>	<b>153,103</b>	<b>-</b>

Note: The Trust has issued units as consideration to acquire these investments wherein the tradable REIT Unit has been valued at Rs 275 each

Details of % shareholding in the SPVs, held by Trust is as under:

Name of SPVs	Ownership Interest	
	30 September 2020	31 March 2020
Avacado Properties and Trading (India) Private Limited	100%	-
Horizonview Properties Private Limited	100%	-
KRC Infrastructure and Projects Private Limited	100%	-
Gigaplex Estate Private Limited	100%	-
Intime Properties Limited*	89%	-
K. Raheja IT Park (Hyderabad) Limited*	89%	-
Sundew Properties Limited*	89%	-
Mindspace Business Parks Private Limited	100%	-

\* Remaining 11% of ownership interest in Intime Properties Limited, K. Raheja IT Park (Hyderabad) Limited and Sundew Properties Limited is owned by Andhra Pradesh Industrial Infrastructure Corporation (APIIC)



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

5	Loans		
		As at 30 September 2020	As at 31 March 2020
	<b>Particulars</b>		
	<i>Unsecured, considered good</i>		
	Loan to SPVs- refer Note 28	10,108	-
		<b>10,108</b>	<b>-</b>

**Note 1:** Mindspace REIT has given loan amounting Rs. 9,892 million during the period ended 30 September 2020 (31 March 2020 Rs. Nil) to Gigaplex, Avacado and Horizonview and the outstanding balance as at end of 30 September 2020 is Rs.9,708 million (31 March 2020 Rs.Nil).

**Security:** Unsecured

**Interest :** 8.75% per annum or such other rate of interest as may be notified by the Lender to the Borrower in writing.

**Repayment:**

a) Bullet repayment on date falling 15 years from the first disbursement date i.e. from 6 August 2020 or such other date as may be mutually agreed between the Lender and the Borrower in writing.

b) At any time prior to the repayment date, the Borrower may on any date, prepay the whole or any part of the loan outstanding.

c) Mindspace REIT may notify the Borrower requiring prepayment of the Loans disbursed by serving atleast 30 days notice before the scheduled date of repayment or such other time period as may be mutually agreed.

**Note 2:** Mindspace REIT has given loan amounting Rs. 400 million during the period ended 30 September 2020 (31 March 2020 Rs. Nil) to MBPPL and the outstanding balance as at end of 30 September 2020 is Rs.400 million (31 March 2020 Rs.Nil).

**Security:** Unsecured

**Interest :** 8.75% per annum or such other rate of interest as may be notified by the Lender to the Borrower in writing.

**Repayment:**

a) Bullet repayment is due on 29 April 2022.

b) At any time prior to the repayment date, the borrower may on any date, prepay the whole or any part of the loan outstanding.

c) Mindspace REIT may notify the Borrower requiring prepayment of the Loans disbursed by serving atleast 30 days notice before the scheduled date of repayment or such other time period as may be mutually agreed.

6	Other financial assets		
		As at 30 September 2020	As at 31 March 2020
	<b>Particulars</b>		
	Interest receivable on loan to SPVs	0	-
		<b>0</b>	<b>-</b>

7	Other Non-current assets		
		As at 30 September 2020	As at 31 March 2020
	<b>Particulars</b>		
	Prepaid Expenses	3	-
		<b>3</b>	<b>-</b>

8	Cash and cash equivalents		
		As at 30 September 2020	As at 31 March 2020
	<b>Particulars</b>		
	Cash on hand	-	-
	Balances with banks		
	- in current accounts*	4,617	0
	- in escrow accounts**	34	-
	- fixed deposits with original maturity less than 3 months	95	-
		<b>4,746</b>	<b>0</b>

\* Rs. 4,600 million were invested in Axis Overnight Fund by Mindspace REIT on 29 September 2020, redeemed on 30 September 2020 and proceeds were received on 1 October 2020.

\*\* Represents the balance Rs. 34 million (31 March 2020 : Nil) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 10,000 million). These amounts are held in the Escrow account and can be withdrawn for certain specific purposes. Out of Rs. 34 million, Rs. 27 million is payable to Sponsor Group and Blackstone entities.

9	Other current assets		
		As at 30 September 2020	As at 31 March 2020
	<b>Particulars</b>		
	<i>Unsecured, considered good</i>		
	Prepaid Expenses	4	-
		<b>4</b>	<b>-</b>



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

10	Corpus	Amount	
	Corpus		
	As at 18 November 2019	-	-
	Corpus received during the period *	0	0
	As at 31 March 2020	0	0
	As at 1 April 2020	0	0
	Additions during the period	-	-
	Closing Balance as at 30 September 2020	0	0
	* Corpus received during the period Rs.10,000		
11	Unit Capital		
	Unit Capital	o	Amount
	As at 18 November 2019	-	-
	Units issued during the period	-	-
	As at 31 March 2020	-	-
	As at 1 April 2020	-	-
	Units issued during the period		
	- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note a(ii) below)	36,363,600	10,000
	- in exchange for equity interest in SPVs (refer note a(iii) below)	556,654,582	153,080
	Less: Issue expenses (refer note below)		(241)
	Closing Balance as at 30 September 2020	593,018,182	162,839

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the units on the NSE and BSE have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

(a) Terms/rights attached to units and other disclosures

- (i) Mindspace REIT has only one class of units. Each unit represents an undivided beneficial interest in Mindspace REIT. Each holder of units is entitled to one vote per unit. The unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of Mindspace REIT at least once in every six months in each financial year in accordance with the REIT Regulations. The Governing Board of the Manager approves dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. Mindspace REIT declares and pays dividends in Indian Rupees

Under the provisions of the REIT Regulations, Mindspace REIT is required to distribute to unitholders not less than ninety percent of the net distributable cash flows of Mindspace REIT for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of Mindspace REIT to pay to its unitholders cash distributions. The unitholders' funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Governing Board of the Manager.

- (ii) Initial Public Offering of 3,63,63,600 units for cash at price of Rs. 275 per unit aggregating to Rs. 10,000 million.  
 (iii) Mindspace REIT has acquired the SPVs by acquiring all the equity interest held by the Sponsor Group and Blackstone Entities in the SPVs. The acquisition of equity interest in the SPVs has been done by issue of 55,66,54,582 units of Rs. 275 each as per the table below.

Name of the SPV	Number of Units allotted for acquiring equity interest held by Sponsor Group and Blackstone entities in SPVs		
	Sponsor Group	Blackstone Entities	Total
Avacado	29,304,371	5,171,359	34,475,730
Horizonview	364	64	428
KRC Infra	21,224,693	3,745,522	24,970,215
Gigaplex	47,334,745	372,113	47,706,858
Intime	46,789,935	9,484,426	56,274,361
Sundew	101,943,753	20,664,275	122,608,028
KRIT	77,443,859	15,698,080	93,141,939
Mindspace	150,855,361	26,621,662	177,477,023
<b>Total number of Units issued</b>	<b>474,897,081</b>	<b>81,757,501</b>	<b>556,654,582</b>

(b) Unitholders holding more than 5 percent Units in Mindspace REIT

Name of the unitholder	As at 30 September 2020	
	No of Units	% holding
BREP ASIA SG PEARL HOLDING (NQ) PTE LTD	54,291,425	9.16%

- (c) Mindspace REIT has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of registration till the balance sheet date. Further, Mindspace REIT has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date, except as disclosed above.

12 Other Equity\*

Particulars	As at	As at
	30 September 2020	31 March 2020
<b>Reserves and Surplus</b>		
Retained earnings	65	(49)
	65	(49)

\*Refer Statement of changes in Unit holder's Equity for detailed movement in other equity balances.

**Retained earnings**

The cumulative gain or loss arising from the operations which is retained and is recognized and accumulated under the heading of retained earnings. At the end of the period, the profit after tax is transferred from the statement of profit and loss to the retained earnings account



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/D03**

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**13 Borrowings**

Particulars	As at	As at
	30 September 2020	31 March 2020
<b>Secured</b>		
10 year G-Sec linked secured, listed, guaranteed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures (“Market Linked Debentures / MLD”) (net of issue expenses, at amortised cost) (31 March 2020 : Nil)	4,972	-
	<b>4,972</b>	<b>-</b>

**Note :**

During the quarter ended 30 September 2020, Mindspace Business Parks REIT (“Trust”) issued 5,000 10 year G-Sec linked secured, listed, guaranteed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures (“Market Linked Debentures / MLD”) having face value of Rs. 10,00,000 (Rupees ten lakhs only) each, amounting to Rs. 500,00,00,000 (Rupees five hundred crores only). The tenure of the said MLD is 577 days from 29 September 2020, being date of allotment of the Market Linked Debentures and coupon, if any shall be payable on the Scheduled Redemption Date i.e. on maturity on 29 April 2022. The coupon payoff structure is linked to condition where the payoff will be fixed on the final fixing date i.e. 30 March 2022. If identified 10 yr G-Sec’s last traded price as on final fixing date is greater than 25% of its last traded price as on initial fixing date i.e. 29 September 2020, the coupon rate will be 6.80% p.a. If identified 10 yr G-Sec’s last traded price as on final fixing date is less than or equal to 25% of its last traded price as on initial fixing date, the coupon rate will be zero percent. As per the valuers report in respect of valuation of these MLDs, the probability of occurrence of such an event (last traded price of identified 10 year G-Sec on final fixing date being less than or equal to 25% of its last traded price on initial fixing date) is remote and hence the value of the option considered as zero.

**Security terms**

The Market Linked Debentures are secured by each of the following security in favour of the Debenture Trustee (holding for the benefit of the Debenture Holders):

1. First and exclusive charge being registered simple mortgage (including receivables arising therefrom) on the aggregate leasable area of approximately 974,500 Sq. Ft. or thereabouts in buildings no. 6, 7 and 8 of Commerzone Yerawada (approx. 178,569 sq. ft. in building no. 6, approx. 371,799 sq. ft. in building no. 7 and approx. 424,132 in building no. 8) together with the proportionate undivided right, title and interest in the notionally demarcated land admeasuring approximately 25,313 sq. mtrs. on which the said three building no. 6, 7 and 8, out of all those pieces and parcels of larger land are situate, lying and being in Village Yerawada, Taluka Haveli, District Pune (“Mortgaged Properties”).
2. A charge on the escrow account in which receivables of the mortgaged properties of MBPPL shall be received.
3. Corporate guarantee to be executed by MBPPL.
4. In accordance with the terms of the Mortgage Documents, MBPPL is in process of creation of first ranking exclusive charge by way of an registered simple mortgage in favour of the Debenture Trustee over the Mortgaged Properties.

**Redemption terms:**

1. These debentures are redeemable by way of bullet payment at the end of 577 days from the date of allotment, i.e. 29 April 2022.
2. The Coupon shall be increased by 25 bps for every notch downgrade in the rating by the Credit Rating Agency. In case rating is upgraded after any rating downgrade, the Coupon shall be decreased by 25 bps for each upgrade. The investors shall have the right to accelerate the MLD if the rating is downgraded to A+.
3. Upon occurrence of a mandatory redemption event, the Debenture Trustee may, by issuing not less than 30 (thirty) business days notice to the Issuer require the Issuer to redeem in full (or as the case may be, in part), all the Debentures then outstanding by paying an amount equal to the total mandatory redemption amount in respect of each Debenture.

**Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018**

4. Details of non-convertible debentures are as follows:-

Particulars	Secured / Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
10 year G-Sec linked secured, listed, guaranteed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures (“Market Linked Debentures / MLD”)	Secured by way of a charge in the nature of registered simple mortgage on the identified properties of Mindspace Business Parks Private Limited, being one of the SPVs of the Issuer and charge on the escrow account in which receivables of the mortgaged properties of MBPPL shall be received.	Not Applicable	Not Applicable	On Maturity	On Maturity

5. Rating agency CRISIL has assigned a rating of “CRISIL PP-MLD AA+/Stable” to the Market Linked Debentures of the issuer / Mindspace REIT.

6. Other requirements as per SEBI Guidelines (No. SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018) for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

Particulars	As at and for the half year ended 30 September 2020
Security / Asset cover (refer a below)	2.32 times
Debt-equity ratio (refer b below)	0.03
Debt-service coverage ratio (refer c below)	60.78
Interest-service coverage ratio (refer d below)	60.78
Net worth (Rs. in million) (refer e below)	162,904



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

Formulae for computation of ratios are as follows basis Condensed Standalone Financial Statements:-

- a) Security / Asset cover ratio = Fair value of the secured assets as on 31 August 2020 as computed by independent valuers / (Outstanding principal amount of Market linked debentures + Interest accrued)
- b) Debt equity ratio = Borrowings / Total Equity
- c) Debt Service Coverage Ratio = Earnings before interest, depreciation and tax/ (Interest expenses + Principal repayments made during the period)
- d) Interest Service Coverage Ratio = Earnings before interest, depreciation and tax/ (Interest expenses)
- e) Net worth = Corpus + Unit capital + Other equity
- Borrowings = Non current borrowings + Current borrowings + Current maturities of long-term borrowings + Interest accrued

14 Other financial liabilities		
Particulars	As at 30 September 2020	As at 31 March 2020
Interest accrued but not due on debentures	2	-
	2	-
15 Current liabilities		
Trade payables		
Particulars	As at 30 September 2020	As at 31 March 2020
Trade payable		
- Total outstanding dues to micro and small enterprises	-	-
- Total outstanding dues other than micro and small enterprises	8	-
	8	-
16 Other financial liabilities		
Particulars	As at 30 September 2020	As at 31 March 2020
Other liabilities		
- to related party*	36	49
- to others	23	-
	59	49
* Includes expenses of Rs.8 million incurred by the Manager on behalf of Mindspace REIT and Rs. 21 million payable to Sponsor Group held in escrow account.		
17 Current tax liabilities		
Particulars	As at 30 September 2020	As at 31 March 2020
Provision for Income Tax (Net of Advance Tax)	2	-
	2	-
18 Other current liabilities		
Particulars	As at 30 September 2020	As at 31 March 2020
Statutory dues	17	-
	17	-



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**19 Interest Income**

Particulars	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)
Interest income				
- on fixed deposits	0	-	0	-
- on loans given to SPVs (refer note 28)	125	-	125	-
	125	-	125	-

**20 Other Income**

Particulars	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)
Net gains/(losses) on financial assets at fair value through profit or loss*	3	-	3	-
Gain on redemption of mutual fund units	1	-	1	-
	4	-	4	-

\* Gain on redemption of investment in preference shares invested in SPV

**21 Other expenses**

Particulars	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)
Bank charges	-	0	0	-
Filing and stamping fees	(1)	0	(1)	15
Travelling expenses	-	-	-	0
Royalty Charges	-	1	1	8
Miscellaneous expenses	-	0	0	-
	(1)	1	0	23

**22 Finance costs**

Particulars	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)
Interest expense on debentures	2	-	2	-
	2	-	2	-

**23 Tax expense**

Particulars	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)
Current tax	2	-	2	-
Deferred tax charge	-	-	-	-
	2	-	2	-

**24 Earnings Per Unit (EPU)**

Basic EPU amounts are calculated by dividing the profit for the period attributable to unit holders by the weighted average number of units outstanding during the period. Diluted EPU amounts are calculated by dividing the profit attributable to unit holders by the weighted average number of units outstanding during the period plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The units of the Trust were allotted to Sponsor Group and Blackstone entities on 30 July 2020 and to the applicants of initial public offer on 4 August 2020.

The following reflects the profit and unit data used in the basic and diluted EPU computation

Particulars	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)
Profit / (loss) after tax for calculating basic and diluted EPU	119	(5)	114	(49)
Weighted average number of Units (Nos)	404,112,255	Not Applicable	203,160,259	Not Applicable
Earnings Per Unit				
- Basic (Rupees/unit)	0.29	Not Applicable	0.56	Not Applicable
- Diluted (Rupees/unit)	0.29	Not Applicable	0.56	Not Applicable

**25 Management Fees**

**REIT Management Fees**

Pursuant to the Investment Management Agreement dated 21 November 2019, the Manager is entitled to fees @ 0.5% of REIT Net Distributable Cash Flows which shall be payable either in cash or in units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. There is no REIT Management fees accrued for the quarter ended 30 June 2020 and 30 September 2020, half year ended 30 September 2020 and for the period ended 31 March 2020. There are no changes during the period in the methodology for computation of fees paid to the Manager.

26 Statement of Net Distributable Cash Flows has not been disclosed since the first distribution of the REIT as stated in the Final Offer Document will be made upon completion of the first full quarter after the listing of the Units on the Stock Exchanges ie 31 December 2020.

**27 Assessment of possible impact resulting from Covid-19 pandemic**

Mindspace REIT has considered the possible effects that may result from the pandemic relating to COVID-19 on the operations of Mindspace REIT and carrying amounts of investments, loans given and other assets. Mindspace REIT as at the date of approval of these financial statements, has used internal and external sources of information to determine the expected future impact of COVID-19 pandemic on the performance of Mindspace REIT. Mindspace REIT based on current estimates expects the carrying amount of the assets to be recovered. However, due to the evolving nature of the pandemic and its response by various government authorities, the Governing Board will continue to monitor developments to identify significant impacts, if any, on the Mindspace REIT's operations.



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Standalone Financial Statements**

**(all amounts in Rs. million unless otherwise stated)**

**28 Related party disclosures**

**A Parties to Mindspace REIT**

Sl. No.	Particulars	Name of Entities	Promoters/Partners*	Directors
1	Trustee	Axis Trustee Services Limited	-	-
2	Sponsors	Anbee Constructions LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
3		Cape Trading LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
4	Manager	K Raheja Corp Investment Managers LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja	-
5	Sponsors Group	Mr. Chandru L. Raheja	-	-
6		Mr. Ravi C. Raheja	-	-
7		Mr. Neel C. Raheja	-	-
8		Mrs. Jyoti C. Raheja	-	-
9	Sponsors Group	Capstan Trading LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
10		Casa Maria Properties LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
11		Raghukool Estate Development LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
12		Palm Shelter Estate Development LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja Mr. Chandru L. Raheja Mrs. Jyoti C. Raheja	-
13		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 Development 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



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**28 Related party disclosures**

**A Parties to Mindspace REIT**

Sl. No.	Particulars	Name of Entities	Promoters/Partners*	Directors
14		Ivory Property Trust	Chandru L. Raheja Jyoti C. Raheja Ivory Properties & Hotels Pvt Ltd Ravi C. Raheja Neel C. Raheja (all are trustees)	
15		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
16	Names of SPVs and their subsidiaries	1. Avacado Properties and Trading (India) Private Limited 2. Gigaplex Estate Private Limited 3. Horizonview Properties Private Limited 4. KRC Infrastructure and Projects Private Limited 5. Intime Properties Limited 6. Sundew Properties Limited 7. K. Raheja IT Park (Hyderabad) Limited 8. Mindspace Business Parks Private Limited. 9. Dices Realcon Private Limited. 10. Educator Protech Private Limited 11. Happy Eastoon Private Limited 12. Sampada Eastpro Private Limited		
17	Governing Board and Key Managerial Personnel of the Manager (K Raheja Corp Investment Managers LLP)	<u>Governing Board</u> Mr. Deepak Ghaisas Ms. Manisha Girotra Mr. Bobby Parikh Mr. Alan Miyasaki Mr. Ravi C. Raheja Mr. Neel C. Raheja  <u>Key Managerial Personnel</u> Mr. Vinod Rohira Ms. Preeti Chheda		
18	Entities controlled/jointly controlled by members of Governing Board.	Brookfields Agro & Development Private Limited Cavalcade Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited  Sustain Properties Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited Content Properties Private Limited Grandwell Properties And Leasing Private Limited  Sundew Real Estate Private Limited M/s Bobby Parikh & Associates		

\* only when acting collectively



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**28 Related party disclosures**

**B Transactions during the period**

	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)
<b>Unsecured loans given to</b>				
Avacodo Properties and Trading Pvt. Ltd.	2,328	-	2,328	-
Gigaplex Properties Private Limited	3,294	-	3,294	-
Horizonview Properties Pvt. Ltd.	4,270	-	4,270	-
Mindspace Business Parks Private Limited	400	-	400	-
<b>Investment in preference shares</b>				
Mindspace Business Parks Private Limited	334	-	334	-
<b>Redemption of investment in preference shares</b>				
Mindspace Business Parks Private Limited	337	-	337	-
<b>Unsecured loans repaid by</b>				
Gigaplex Estate Private Limited	184	-	184	-
<b>Investment in equity share of SPVs</b>				
Avacodo Properties and Trading (India) Private Limited	9,482	-	9,482	-
Gigaplex Estate Private Limited	13,121	-	13,121	-
Horizonview Properties Private Limited	0	-	0	-
KRC Infrastructure and Projects Private Limited	6,868	-	6,868	-
Intime Properties Limited	15,478	-	15,478	-
Sundew Properties Limited	33,722	-	33,722	-
K. Raheja IT Park (Hyderabad) Limited	25,618	-	25,618	-
Mindspace Business Parks Private Limited	48,814	-	48,814	-
<b>Trustee fee expenses</b>				
Axis Trustee Services Limited	1	-	1	-
<b>Interest Income</b>				
Avacodo Properties and Trading (India) Private Limited	31	-	31	-
Gigaplex Estate Private Limited	40	-	40	-
Horizonview Properties Private Limited	55	-	55	-
Mindspace Business Parks Private Limited	0	-	0	-
<b>Gain on Redemption of Preference Shares</b>				
Mindspace Business Parks Private Limited	3	-	3	-
<b>Royalty Charges</b>				
Newfound Properties and Leasing Private Limited	-	1	1	-
Anbee Constructions LLP	-	-	-	1
Cape Trading LLP	-	-	-	1
Mindspace Business Parks Pvt Ltd	-	-	-	1
Ivory Properties & Hotels Pvt Ltd	-	-	-	1
K. Raheja Pvt Ltd	-	-	-	1
K. Raheja Corp Pvt Ltd	-	-	-	2
<b>Reimbursement of Expenses</b>				
K Raheja Corp Investment Managers LLP*	48	1	49	41
*Includes fees paid to M/s Bobby Parikh & Associates amounting to Rs. 0.48 million for the quarter ended 30 June 2020 and half year ended 30 September 2020 and Rs 1 million for the period ended 31 March 2020.				
<b>Payment to Sponsor Group companies in relation to Offer for Sale</b>				
Chandru L Raheja	10	-	10	-
Jyoti C Raheja	1,139	-	1,139	-
Ravi C Raheja	1,179	-	1,179	-
Neel C Raheja	1,179	-	1,179	-
Genext Hardware & Parks Private Limited	957	-	957	-
Inorbit Malls (India) Private Limited	1,505	-	1,505	-
Ivory Properties And Hotels Private Limited	3,385	-	3,385	-
Ivory Property Trust	10,352	-	10,352	-
K. Raheja Corp Private Limited	4,301	-	4,301	-
K. Raheja Private Limited	2,851	-	2,851	-
<b>Corporate Guarantee Fees to SPV</b>				
Mindspace Business Parks Pvt Ltd	8	0	8	0
<b>Initial receipt from Co-sponsor - received</b>				
Anbee Constructions LLP	-	-	-	0
Cape Trading LLP	-	-	-	0
<b>Issue of Unit capital</b>				
Anbee Constructions LLP	9,736	-	9,736	-
Cape Trading LLP	9,736	-	9,736	-
Capstan Trading LLP	11,301	-	11,301	-
Cash Maria Properties LLP	11,301	-	11,301	-
Chandru L. Raheja	8,974	-	8,974	-
Genext Hardware & Parks Private Limited	6,294	-	6,294	-
Ivory Property Trust	2,410	-	2,410	-
Jyoti C. Raheja	2,745	-	2,745	-
K Raheja Corp Private Limited	10,064	-	10,064	-
Neel C. Raheja	4,637	-	4,637	-
Palm Shelter Estate Development LLP	11,301	-	11,301	-
Raghukool Estate Development LLP	9,958	-	9,958	-
Ravi C Raheja	4,637	-	4,637	-



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**28 Related party disclosures****C Closing Balances**

Particulars	As at	
	30 September 2020	31 March 2020
<b>Unsecured loan receivable (non-current)</b>		
Mindspace Business Parks Private Limited	400	-
Avacado Properties and Trading (India) Private Limited	2,328	-
Gigaplex Estate Private Limited	3,110	-
Horizonview Properties Private Limited	4,271	-
<b>Investment in equity shares of SPVs</b>		
Avacado Properties and Trading (India) Private Limited	9,482	-
Gigaplex Estate Private Limited	13,121	-
Horizonview Properties Private Limited	0	-
KRC Infrastructure and Projects Private Limited	6,868	-
Intime Properties Limited	15,478	-
Sundew Properties Limited	33,722	-
K. Raheja IT Park (Hyderabad) Limited	25,618	-
Mindspace Business Parks Private Limited	48,814	-
<b>Interest receivable</b>		
Mindspace Business Parks Private Limited	0	-
<b>Other Financial Liabilities</b>		
K Raheja Corp Investment Managers LLP	8	49
Mindspace Business Parks Private Limited	8	-
<b>Payable to Sponsor Group</b>		
Chendru L. Raheja	0	-
Inorbit Malls (I) Private Limited	1	-
Ravi C. Raheja	1	-
K Raheja Corp Private Limited	3	-
Neel C. Raheja	1	-
Jyoti C. Raheja	1	-
K Raheja Private Limited	2	-
Ivory Properties & Hotels Private Limited	3	-
Genext Hardware & Parks Private Limited	1	-
Ivory Property Trust	8	-
<b>Co-Sponsor Initial Corpus</b>		
Anbee Constructions LLP	0	0
Cape Trading LLP	0	0



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**29 Details of utilisation of proceeds of IPO are as follows:**

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 30 September 2020	Unutilised amount as at 30 September 2020
Partial or full pre-payment or scheduled repayment of certain debt facilities of the Asset SPVs availed from banks/financial institutions (including any accrued interest and any applicable penalties/ premium)	9,000	9,300	Refer note
Purchase of Non Convertible Redeemable Preference Shares of MBPPL	334	334	-
General Corporate Purposes and REIT Issue Expenses	666	309	Refer note
<b>Total</b>	<b>10,000</b>	<b>9,943</b>	<b>-</b>

Note: Rs. 300 million is used in excess for providing loans to Asset SPVs for the purpose of repayment of debt facilities of the SPVs and balance Rs. 57 million is unutilised as on 30 September 2020.

**30 Details of utilisation of proceeds of Debentures are as follows:**

Objects of the issue as per the Issue memorandum	Proposed utilisation	Actual utilisation upto 30 September 2020	Unutilised amount as at 30 September 2020
Providing loans to the SPVs for meeting their construction related expenses, working capital or general corporate requirements, repayment of financial indebtedness, general corporate purposes including payment of fees and expenses in connection with the Issue, acquisition of commercial properties or such other purposes as stipulated in the transaction documents.	5,000	400	4,600
<b>Total</b>	<b>5,000</b>	<b>400</b>	<b>4,600</b>

Rs. 4,600 million were invested in Axis Overnight Fund by Mindspace REIT on 29 September 2020, redeemed on 30 September 2020 and proceeds were received on 1 October 2020.

**31 Financial Instruments :**

The carrying value and fair value of financial instruments by categories are as below:

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	30 September 2020 (Unaudited)	30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)	From 18 November 2019 to 31 March 2020 (Audited)
<b>Financial assets</b>				
Fair value through profit and loss	-	-	-	-
Fair value through other comprehensive income	-	-	-	-
<b>Amortised cost</b>				
Loans	10,108	10,108	-	-
Cash and cash equivalents	4,746	4,746	0	-
Other financial assets	-	-	-	-
<b>Total assets</b>	<b>14,854</b>	<b>14,854</b>	<b>0</b>	<b>-</b>
<b>Financial liabilities</b>				
Fair value through profit and loss	-	-	-	-
Fair value through other comprehensive income	-	-	-	-
<b>Amortised cost</b>				
Borrowings	4,972	4,972	-	-
Other financial liabilities	61	61	49	-
Trade payables	8	8	-	-
<b>Total liabilities</b>	<b>5,042</b>	<b>5,042</b>	<b>49</b>	<b>-</b>

The management considers that the carrying amounts of above financial assets and financial liabilities approximate their fair values.

**(a) Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

**(b) Financial instruments**

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2020:

Particulars	Total	Level 1	Level 2	Level 3
<b>Financial assets &amp; liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

Particulars	Total	Level 1	Level 2	Level 3
<b>Financial assets &amp; liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(c) Transfers between Level 1, Level 2 and Level 3**

There were no transfers between Level 1, Level 2 or Level 3 during the period ended 30 September 2020 and 31 March 2020.



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Standalone Financial Statements**

(all amounts in Rs. million unless otherwise stated)

**(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.

**32 Distributions**

There are no distributions made to the unitholders for the period ended 30 September 2020.

33 "0" represents value less than Rs. 0.5 million.



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

To  
The Governing Board,  
K. Raheja Corp Investment Managers LLP (The "Investment Manager")  
(Acting in capacity as the Investment Manager of Mindspace Business Parks REIT)

1. We have reviewed the accompanying unaudited Condensed Consolidated Interim Financial Statements of **MINDSPACE BUSINESS PARKS REIT** ("the REIT") and its subsidiaries (the "Special Purpose Vehicles") (together referred as the "Mindspace Group"), which comprise the unaudited Condensed Consolidated Balance Sheet as at September 30, 2020, the unaudited Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, the unaudited Condensed Consolidated Statement of Cash Flow for quarter and six months ended September 30, 2020, the unaudited Condensed Consolidated Statement of changes in Unitholders' Equity for the six months ended September 30, 2020, along with summary of the significant accounting policies and select explanatory notes (together hereinafter referred as the "Condensed Consolidated Interim Financial Statements").
2. The Condensed Consolidated Interim Financial Statements, which is the responsibility of the Investment Manager and approved by the Governing Board of the Investment Manager, have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "SEBI circular"); recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI circular, including any guidelines and circulars issued thereunder. Our responsibility is to issue a report on the Condensed Consolidated Interim Financial Statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Investment Manager's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Condensed Consolidated Interim Financial Statements include the financial information of the entities listed in Annexure A to this report.



**Deloitte  
Haskins & Sells LLP**

3. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements have not been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI circular, including any guidelines and circulars issued thereunder, has not disclosed the information required to be disclosed including the manner in which it is to be disclosed in terms of the SEBI circular, or that it contains any material misstatement.
4. We draw attention to Note 47 to the Condensed Consolidated Interim Financial Statements regarding freehold land and building thereon (Paradigm, Malad) held by Avacado Properties and Trading (India) Private Limited which is presently under litigation. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the Condensed Consolidated Interim Financial Statements for the quarter and six months ended September 30, 2020. Our conclusion is not modified in respect of this matter.

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



**Nilesh Shah**  
Partner

Membership No. 49660  
UDIN: 20049660AAAAC4947

Mumbai, November 11, 2020

# Deloitte Haskins & Sells LLP

Annexure "A"

List of entities included in the Condensed Consolidated Interim Financial Statements

## Special Purpose Vehicles:

- i. Avacado Properties and Trading (India) Private Limited
- ii. Horizonview Properties Private Limited
- iii. KRC Infrastructure and Projects Private Limited
- iv. Gigaplex Estate Private Limited
- v. Sundew Properties Limited
- vi. Intime Properties Limited
- vii. K. Raheja IT Park (Hyderabad) Limited
- viii. Mindspace Business Parks Private Limited



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

To  
The Governing Board,  
K. Raheja Corp Investment Managers LLP (The "Investment Manager")  
(Acting in capacity as the Investment Manager of Mindspace Business Parks REIT)

1. We have reviewed the accompanying unaudited Condensed Consolidated Interim Financial Statements of **MINDSPACE BUSINESS PARKS REIT** ("the REIT") and its subsidiaries (the "Special Purpose Vehicles") (together referred as the "Mindspace Group"), which comprise the unaudited Condensed Consolidated Balance Sheet as at September 30, 2020, the unaudited Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, the unaudited Condensed Consolidated Statement of Cash Flow for quarter and six months ended September 30, 2020, the unaudited Condensed Consolidated Statement of changes in Unitholders' Equity for the six months ended September 30, 2020, along with summary of the significant accounting policies and select explanatory notes (together hereinafter referred as the "Condensed Consolidated Interim Financial Statements").
2. The Condensed Consolidated Interim Financial Statements, which is the responsibility of the Investment Manager and approved by the Governing Board of the Investment Manager, have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "SEBI circular"); recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI circular, including any guidelines and circulars issued thereunder. Our responsibility is to issue a report on the Condensed Consolidated Interim Financial Statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Investment Manager's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Condensed Consolidated Interim Financial Statements include the financial information of the entities listed in Annexure A to this report.



**Deloitte  
Haskins & Sells LLP**

3. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements have not been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI circular, including any guidelines and circulars issued thereunder, has not disclosed the information required to be disclosed including the manner in which it is to be disclosed in terms of the SEBI circular, or that it contains any material misstatement.
4. We draw attention to Note 47 to the Condensed Consolidated Interim Financial Statements regarding freehold land and building thereon (Paradigm, Malad) held by Avacado Properties and Trading (India) Private Limited which is presently under litigation. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the Condensed Consolidated Interim Financial Statements for the quarter and six months ended September 30, 2020. Our conclusion is not modified in respect of this matter.

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



**Nilesh Shah**  
Partner

Membership No. 49660  
UDIN: 20049660AAAAC4947

Mumbai, November 11, 2020

# Deloitte Haskins & Sells LLP

Annexure "A"

List of entities included in the Condensed Consolidated Interim Financial Statements

## Special Purpose Vehicles:

- i. Avacado Properties and Trading (India) Private Limited
- ii. Horizonview Properties Private Limited
- iii. KRC Infrastructure and Projects Private Limited
- iv. Gigaplex Estate Private Limited
- v. Sundew Properties Limited
- vi. Intime Properties Limited
- vii. K. Raheja IT Park (Hyderabad) Limited
- viii. Mindspace Business Parks Private Limited



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Consolidated Balance Sheet**  
**(All amounts are in Rs. million unless otherwise stated)**

	Note	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,641	-
Capital work-in-progress		22	-
Investment property	6	191,439	-
Investment property under construction	7	17,117	-
Intangible assets	8	1	-
Financial assets			
- Investments	9	18	-
- Other financial assets	10	1,229	-
Deferred tax assets (net)	11	1,674	-
Non-current tax assets (net)	12	1,478	-
Other non-current assets	13	1,179	-
<b>Total non-current assets</b>		<b>215,798</b>	<b>-</b>
<b>Current assets</b>			
Inventories	14	61	-
Financial assets			
- Trade receivables	15	267	-
- Cash and cash equivalents	16 A	5,355	0
- Other bank balances	16 B	272	-
- Other financial assets	17	671	-
Other current assets	18	391	-
<b>Total current assets</b>		<b>7,017</b>	<b>0</b>
<b>Total assets before regulatory deferral account</b>		<b>222,815</b>	<b>0</b>
Regulatory deferral account - assets	19	152	-
<b>Total assets</b>		<b>222,967</b>	<b>0</b>



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Consolidated Balance Sheet**  
**(All amounts are in Rs. million unless otherwise stated)**

	Note	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Corpus	20	0	0
Unit Capital	21	162,839	-
Other equity	22	572	(49)
<b>Equity attributable to controlling interest of Mindspace REIT</b>		<b>163,411</b>	<b>(49)</b>
<b>Non-controlling interest</b>	57	<b>9,306</b>	-
<b>Total equity</b>		<b>172,717</b>	<b>(49)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	23	30,775	-
- Other financial liabilities	24	2,230	-
Provisions	25	8	-
Deferred tax liabilities (net)	26	67	-
Other non-current liabilities	27	590	-
<b>Total non-current liabilities</b>		<b>33,670</b>	-
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	28	1,462	-
- Trade payables	29		-
- total outstanding dues of micro enterprises and small enterprises		86	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		830	-
- Other financial liabilities	30	13,265	49
Provisions	31	58	-
Other current liabilities	32	849	-
<b>Total current liabilities</b>		<b>16,550</b>	<b>49</b>
<b>Total equity and liabilities before regulatory deferral account</b>		<b>222,937</b>	<b>0</b>
Regulatory deferral account - liabilities	19	30	-
<b>Total equity and liabilities</b>		<b>222,967</b>	<b>0</b>
<b>Significant accounting policies</b>	3		
See the accompanying notes to the Condensed Consolidated Financial Statements	4-59		

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

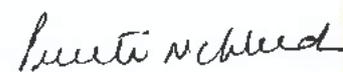
Place: Mumbai  
Date: 11 Nov 2020

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

  
**Neel C. Raheja**  
Member  
DIN: 00029010

  
**Vinod N. Rohira**  
Chief Executive Officer  
DIN: 00460667

Place: Mumbai  
Date: 11 Nov 2020

  
**Preeti N. Chheda**  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date: 11 Nov 2020

**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Consolidated Statement of Profit and Loss**  
**(All amounts are in Rm, million unless otherwise stated)**

	Note	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)*
<b>Income and gains</b>					
Revenue from operations	33	2,739	-	2,739	-
Interest	34	37	-	37	-
Other income	35	4	-	4	-
<b>Total Income</b>		<b>2,780</b>	<b>-</b>	<b>2,780</b>	<b>-</b>
<b>Expenses and losses</b>					
Cost of work contract services	36	68	-	68	-
Cost of materials sold	37	2	-	2	-
Cost of power purchased	38	59	-	59	-
Employee benefits expense	39	8	-	8	-
Trustee fees		1	-	1	-
Valuation fees		6	-	6	-
Insurance expense		17	-	17	-
Audit fees		6	1	7	1
Management fees		68	-	68	-
Repairs and maintenance	40	180	-	180	-
Legal & professional fees		69	3	72	25
Other expenses	41	244	1	245	23
<b>Total Expenses</b>		<b>728</b>	<b>5</b>	<b>733</b>	<b>49</b>
<b>Earnings/(loss) before finance costs, depreciation and amortisation, regulatory income / expense and tax</b>		<b>2,052</b>	<b>(5)</b>	<b>2,047</b>	<b>(49)</b>
Finance costs	42	501	-	501	-
Depreciation and amortisation expense	43	496	-	496	-
<b>Profit/(loss) before rate regulated activities and tax</b>		<b>1,055</b>	<b>(5)</b>	<b>1,050</b>	<b>(49)</b>
Add : Regulatory income/ (expense) (net)		(6)	-	(6)	-
Add : Regulatory income/(expense) (net) in respect of earlier years		(7)	-	(7)	-
<b>Profit/(loss) before tax</b>		<b>1,042</b>	<b>(5)</b>	<b>1,037</b>	<b>(49)</b>
Current tax	44	268	-	268	-
Deferred tax charge	44	158	-	158	-
MAT credit entitlement	44	(68)	-	(68)	-
<b>Tax expense</b>		<b>358</b>	<b>-</b>	<b>358</b>	<b>-</b>
<b>Profit/(Loss) for the period/year</b>		<b>684</b>	<b>(5)</b>	<b>679</b>	<b>(49)</b>
<b>Profit for the period/year attributable to Mindspace REIT</b>		<b>626</b>	<b>(5)</b>	<b>621</b>	<b>-</b>
<b>Profit for the period/year attributable to non-controlling interests</b>		<b>58</b>	<b>-</b>	<b>58</b>	<b>-</b>



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Consolidated Statement of Profit and Loss**  
**(All amounts are in Rs. million unless otherwise stated)**

	Note	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)*
<b>Other comprehensive income</b>					
A. (i) Items that will not be reclassified to profit or loss					
- Remeasurements of defined benefit liability/ (asset)		-	-	-	-
(ii) Income tax relating to above		-	-	-	-
B. (i) Items that will be reclassified to profit or loss		-	-	-	-
(ii) Income tax relating to above		-	-	-	-
<b>Other comprehensive income attributable to Mindspace REIT</b>					
<b>Other comprehensive income attributable to non controlling interests</b>					
<b>Total comprehensive income for the period</b>		<b>684</b>	<b>(5)</b>	<b>679</b>	<b>(49)</b>
<b>Total comprehensive income/(loss) for the period attributable to Mindspace REIT</b>		<b>626</b>	<b>(5)</b>	<b>621</b>	<b>(49)</b>
<b>Total comprehensive income for the period attributable to non controlling interests</b>		<b>58</b>	<b>-</b>	<b>58</b>	<b>-</b>
Earnings per unit	53				
Basic		1.55	Not Applicable	3.06	Not Applicable
Diluted		1.55	Not Applicable	3.06	Not Applicable
Significant accounting policies	3				
See the accompanying notes to the Condensed Consolidated Financial Statements	4-59				

\* Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Condensed Consolidated Statement of Profit and Loss with effect from said period i.e. 18 November 2019 for the period ended 31 March 2020. Consequently, the information for corresponding quarter and half year ending 30 June 2019 and 30 September 2019 have not been presented.

As per our report of even date attached:

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

*N.V. Shah*

Nilesh Shah  
Partner  
Membership number: 49660

Place: Mumbai  
Date: 11 Nov 2020

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

*Neel C. Raheja*  
Neel C. Raheja  
Member  
DIN: 00029010

Place: Mumbai  
Date: 11 Nov 2020

*Vinod N. Rohira*  
Vinod N. Rohira  
Chief Executive Officer  
DIN: 00460667

Place: Mumbai  
Date: 11 Nov 2020

*Preeti N. Chheda*  
Preeti N. Chheda  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date: 11 Nov 2020

**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Consolidated Statement of Cash Flow**  
**(All amounts are in Rs. million unless otherwise stated)**

	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)*
<b>A Cash flows from operating activities</b>				
Profit before tax	1,042	(5)	1,037	(49)
Adjustments for:				
Depreciation and amortisation expense	496	-	496	-
Finance costs	301	-	501	-
Interest income	(33)	-	(33)	-
Provision for doubtful debts (net)	23	-	23	-
Net gains/(losses) on financial assets at fair value through profit or loss	(3)	-	(3)	-
Gain on redemption of mutual fund units	(1)	-	(1)	-
Lease Rent	(5)	-	(5)	-
Foreign exchange fluctuation loss (net)	9	-	9	-
Operating profit/(loss) before working capital changes	2,029	(5)	2,024	(49)
Movement in working capital				
Decrease in inventories	(2)	-	(2)	-
Decrease in trade receivables	155	-	155	-
Decrease in other non-current financial assets	22	-	22	-
(Increase) in other current financial assets	(61)	-	(61)	-
Decrease / (increase) in other non-current assets	(60)	-	(60)	-
Decrease / (increase) in other current assets	14	-	14	-
Increase / (decrease) in other non-current financial liabilities	42	-	42	-
Increase in other current financial liabilities	(269)	3	(266)	49
(Decrease) / increase in other non-current liabilities and provisions	17	-	17	-
(Decrease) / increase in other current liabilities and provisions	214	-	214	-
(Decrease) / increase in regulatory deferral account (assets / liabilities)	15	-	15	-
(Decrease) / increase in trade payables	82	2	84	-
Cash generated/(used in) from operations	2,198	(0)	2,198	0
Direct taxes paid net of refund received	(223)	-	(223)	-
Net cash generated/(used in) from operating activities (A)	1,975	(0)	1,975	0
<b>B Cash flows from investing activities</b>				
Expenditure incurred on investment property and investment property under construction including capital advances, net of capital creditors	(1,348)	-	(1,348)	-
Purchase of property, plant and equipment and intangible assets	(1)	-	(1)	-
Investment in mutual fund	(4,600)	-	(4,600)	-
Proceeds from redemption of investment in mutual fund	4,601	-	4,601	-
Movement in fixed deposits with maturity more than three months	119	-	119	-
Loans repayment received from body corporates	12,382	-	12,382	-
Purchase of Investments (Preference shares)	(334)	-	(334)	-
Interest received	1,488	-	1,488	-
Net cash generated from investing activities ( B )	12,307	-	12,307	-



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

Condensed Consolidated Financial Statements

Consolidated Statement of Cash Flow

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

	For the quarter ended 30 September 2020 (Unaudited)	For the quarter ended 30 June 2020 (Unaudited)	For the half year ended 30 September 2020 (Unaudited)	From 18 November 2019 to 31 March 2020 (Audited)*
<b>C Cash flows from financing activities</b>				
Repayment of external borrowings	(23,840)	-	(23,840)	-
Proceeds from issue of units	10,000	-	10,000	-
Collection towards Offer For Sale	35,000	-	35,000	-
Payment to Sponsor Group and Blackstone entities in respect of Offer For Sale	(34,973)	-	(34,973)	-
Proceeds from issue of non-convertible debentures	5,000	-	5,000	-
Expenses incurred towards Initial Public Offering	(254)	-	(254)	-
Non-convertible debentures issue expenses	(4)	-	(4)	-
Security deposit received from customer	62	-	62	-
Payment towards lease liabilities	(3)	-	(3)	-
Finance costs paid	(494)	-	(494)	-
<b>Net cash generated/used in financing activities (C)</b>	<b>(9,506)</b>	<b>-</b>	<b>(9,506)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,776</b>	<b>(0)</b>	<b>4,776</b>	<b>0</b>
Cash and cash equivalents at the beginning of the period	0	0	0	-
Cash and cash equivalents acquired due to asset acquisition (refer note 45)	(883)	-	(883)	-
Cash and cash equivalents at the end of the period	3,893	(0)	3,893	0
<b>Cash and cash equivalents comprises (refer note no. 16A &amp; 28)</b>				
Cash on hand	2	-	2	-
Balance with banks				
- on current accounts	5,071	0	5,071	0
- in escrow accounts **	34	-	34	-
Deposit accounts with less than or equal to three months maturity	248	-	248	-
Cheques on hand	-	-	-	-
Less : Bank overdraft	(1,462)	-	(1,462)	-
Cash and cash equivalents at the end of the period	3,893	0	3,893	0

Significant accounting policies - refer note 3

Note: The Trust has issued units in exchange for acquisition of assets during the period ended 30 September 2020. The same has not been reflected in Consolidated Statement of Cash Flows since these were non-cash transactions. (refer note 46)

See the accompanying notes to the Condensed Consolidated Financial Statements - refer note 4-59

\* Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Condensed Consolidated Statement of Cash Flow with effect from said period i.e. 18 November 2019 for the period ended 31 March 2020. Consequently, the information for corresponding quarter and half year ending 30 June 2019 and 30 September 2019 have not been presented.

\*\* Rs. 4,600 million were invested in Axis Overnight Fund by Mindspace REIT on 29 September 2020, redeemed on 30 September 2020 and proceeds were received on 1 October

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

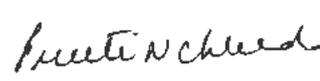
for and on behalf of the Governing Board of  
K Raheja Corp Investment Managers LLP  
(acting as the Manager to Mindspace Business Parks REIT)



Neel C. Raheja  
Member  
DIN: 00029010



Vinod N. Rohira  
Chief Executive Officer  
DIN: 00460667



Preeti N. Chheda  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date : 11 Nov 2020

**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Condensed Consolidated Statement of changes in Unit holder's Equity**  
**(All amounts are in Rs. million unless otherwise stated)**

A. Corpus	Amount
Balance as on 18 November 2019*	-
Corpus received during the period**	0
Balance as on 31 March 2020	0
Balance as on 1 April 2020	0
Additions during the period	-
Closing balance as at 30 September 2020	0

\*\* Corpus received during the period Rs. 10,000

B. Unit Capital	Amount
Balance as on 18 November 2019*	-
Units issued during the period	-
Balance as at 31 March 2020	-
Balance as at 1 April 2020	-
Add: Units issued during the period (refer note 19)	163,080
Less: Issue expenses	(241)
Balance as at 30 September 2020	162,839

C. Other equity	Amount
Retained Earnings	
Balance as on 18 November 2019*	-
Loss for the period	(49)
Balance as at 31 March 2020	(49)
Balance as at 1 April 2020	(49)
Add: Profit / (loss) for the period	621
Add: Other comprehensive income	-
Balance as at 30 September 2020	572

**Significant accounting policies - refer note 3**

See the accompanying notes to the Condensed Consolidated Financial Statements - refer note 4-59

\* Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Condensed Consolidated Statement of changes in Unit holder's Equity with effect from said period ie 18 November 2019 for the period ended 31 March 2020. Consequently, the information for corresponding quarter and half year ending 30 June 2019 and 30 September 2019 have not been

As per our report of even date attached:

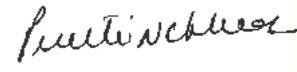
for **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's registration number: 117366W/W-100018

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

  
**Nilesh Shah**  
Partner  
Membership number: 49660

  
**Neel C. Raheja**  
Member  
DIN: 00029010

  
**Vinod N. Rohira**  
Chief Executive Officer  
DIN: 00460667

  
**Preeti N. Chheda**  
Chief Financial Officer  
DIN: 08066703

Place: Mumbai  
Date : 11 Nov 2020

**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**1 Organisation Structure**

The interim condensed consolidated financial statements ('Condensed Consolidated Financial Statements') comprise financial statements of Mindspace Business Parks Real Estate Investment Trust ('Mindspace Business Parks REIT/ Mindspace REIT'), its SPVs 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 having registration number RN:IN/REIT/19-20/003. The Trustee to Mindspace REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Mindspace REIT is K Raheja Corp Investment Managers LLP (the 'Investment Manager').

The objectives and principal activity of of Mindspace REIT is to carry on the activity of a real estate investment trust, as permissible under the REIT Regulations, to raise funds through the REIT, to make Investments in accordance with the REIT Regulations and the Investment Strategy and to carry on the activities as may be required for operating the REIT, including incidental and ancillary matters thereto.

Mindspace REIT acquired the SPVs by acquiring all the equity interest held by the Sponsor Group and Blackstone entities in the SPVs on 30 July 2020. In exchange for these equity interests, the above shareholders have been allotted 55,66,54,582 Units of Mindspace Parks REIT valued at Rs. 275 each.

Mindspace REIT went public as per its plan for Initial Public Offer of Units after obtaining the required approvals from the relevant authorities. The Units were allotted to the successful applicants on 4 August 2020.

All these units were subsequently listed on the Bombay Stock Exchange (BSE Limited) and National Stock Exchange (NSE) on 7 August 2020.

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

Name of the SPV	Activities	Shareholding (in percentage) upto 30 July 20	Shareholding (in percentage) from 30 July 20
MBPPL	The SPV is engaged in real estate development projects such as Special Economic Zone (SEZ), Information Technology Parks and other commercial assets. The SPV has its projects in Airoli (Navi Mumbai), Pune and Pocharam (Hyderabad). The SPV is a deemed distribution licensee pursuant to which it can distribute power to the SEZ tenants within the Park. It 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%)	Mindspace Business Parks REIT : 100%
Gigaplex	The SPV is engaged in real estate development projects such as Special Economic Zone (SEZ), Information Technology Parks and other commercial assets. The SPV has its projects in Airoli (Navi Mumbai). The SPV is a deemed distribution licensee pursuant to which it can distribute power to the SEZ tenants within the Park. It commenced distribution of electricity in its project at Airoli, Navi Mumbai from 19 April 2016.	K Raheja Corp Private Limited (58.90%) Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja (37.50%) BREP ASIA SG Pearl Holding (NQ) Pte. Ltd. (3.59%) Others (0.01%)	Mindspace Business Parks REIT : 100%
Sundew	The SPV is engaged in development and leasing/licensing of IT park, SEZ to different customers in 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 (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%)	Mindspace Business Parks REIT : 89% Andhra Pradesh Industrial Infrastructure Corporation Limited (11%)



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**

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

Intime	The SPV is engaged in development and leasing/licensing of IT park to different customers in Hyderabad.	Chandru Raheja jointly with Jyoti Raheja (23.98%) 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%)	Mindspace Business Parks REIT : 89% Andhra Pradesh Industrial Infrastructure Corporation Limited (11%)
KRIT	The SPV is engaged in development and leasing/licensing of IT park to different customers in Hyderabad.	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%) Others (4.83%)	Mindspace Business Parks REIT : 89% Andhra Pradesh Industrial Infrastructure Corporation Limited (11%)
KRC Infra	The SPV is engaged in real estate development projects such as Special Economic Zone (SEZ) and Information Technology Parks. The SPV has its project in Kharadi Pune. The SPV is a deemed distribution licensee pursuant to which it can distribute power to the SEZ tenants within the Park. It commenced distribution of electricity in its project at Kharadi, Pune 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%)	Mindspace Business Parks REIT : 100%
Horizionview	The SPV is engaged in development and leasing/licensing of IT park to different customers in Chennai.	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%)	Mindspace Business Parks REIT : 100%
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. The SPV also has a commercial project in Bandra Kurla Complex, Mumbai.	Anbee Constructions LLP (13.18%) Cape Trading LLP (13.18%) Capstan Trading LLP (14.53%) Raghukool Estate Development LLP Casa Maria Properties LLP (14.53%) Palm Shelter Estate Development LLP BREP Asia SG Pearl Holding (NQ) Pte. Ltd (14.95%) Others (0.57%)	Mindspace Business Parks REIT : 100%



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

2

**Basis of preparation**

The Condensed Consolidated Interim Financial Statements of the Mindspace Business Parks REIT comprise the Condensed Balance Sheet as at 30 September 2020, the Condensed Statement of Profit and Loss, including other comprehensive income, the Condensed Statement of Cash Flow for quarter and six months ended 30 September 2020, the Condensed Statement of Changes in Unitholders Equity for the six months ended 30 September 2020 and a summary of the significant accounting policies and select explanatory information and other additional financial disclosures. The Condensed Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts Regulations, 2014, as amended from time to time read including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("the REIT regulations"); Recognition and measurement principles laid down under Indian Accounting Standard (IndAS) 34 "Interim Financial Reporting", as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations.

The Condensed Consolidated Financial Statements were authorised for issue in accordance with the resolution passed by the Governing Board of the Manager on 11 November 2020.

**Basis of Consolidation**

The Mindspace Business Parks Group consolidates entities which it owns or controls. The Condensed Consolidated Financial Statements comprise the financial statements of the Mindspace Business Parks REIT and its subsidiary SPVs as disclosed in note 1. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The procedure for preparing Condensed Consolidated Financial Statements of the Mindspace Business Parks Group are stated below:

a) The financial statements of the Mindspace Business Parks Group are consolidated for like items and intragroup balances and transactions for assets and liabilities, equity, income, expenses and cash flows between entities of the Mindspace Business Parks Group are eliminated in full upon consolidation.

b) 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 REIT has recorded a non-controlling interests for these SPVs. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest proportionate share of the fair value 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 these interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

c) The figures in the notes to accounts and disclosures have been Consolidated line by line and Inter-company transactions and balances including unrealised profits are eliminated in full on consolidation.

d) 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 30 September 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 part of the Mindspace Business Parks Group's real estate investment trust structure, these subsidiaries have not been Consolidated in these Condensed Consolidated Financial Statements.

e) 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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
- \* Applying the concentration test for acquisition made during the period.

Mindspace Group has applied judgment in determining whether the acquisition of SPVs during the period are considered to be asset acquisitions or business combinations. Mindspace Group has also applied the optional concentration test available under Ind AS 103. Significant judgement involved in allocating the cost of the acquisition to the assets and liabilities acquired based upon their relative fair values determined by independent valuers at the acquisition date, and no goodwill is recognized. - refer note 46 on Asset acquisition.



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

**d) Current versus non-current classification**

The Mindspace Business Parks Group presents assets and liabilities in the Condensed Consolidated 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.

**(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 instruments 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 Consolidated 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 Consolidated 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 as per the useful life of the assets estimated by the management over the balance useful life. 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

\* 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.

**(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 Consolidated Statement of Profit and Loss.



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

(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 Consolidated 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 Consolidated 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.

Asset group	Estimated Useful Life (in years)
	Other assets
Computer Softwares	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.

(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 Consolidated 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 as per the useful life of the assets estimated by the management over the balance useful life. 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.



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

(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 derecognised 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 Consolidated 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 Consolidated 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 Consolidated 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) Maintenance services

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

(c) 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.

(d) 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.

(e) 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 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 in equity and 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 Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured that are expected to apply to the period when the asset is realised or the liability is settled, 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 is not recognised for:  
 - Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and  
 - Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Mindspace Business Park Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;  
 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 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 Consolidated 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 Consolidated 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 Consolidated Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.



## MINDSPACE BUSINESS PARKS REIT

RN:IN/REIT/19-20/003

### Condensed Consolidated Financial Statements

#### Notes to Accounts

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

#### 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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.



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

(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 Consolidated Statement of Profit and Loss (FVTPL)**

Financial assets are subsequently measured at fair value through the Condensed Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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.



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

**Condensed Consolidated Financial Statements****Notes to Accounts**

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

**3.20 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 Consolidated 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.

**3.21 Subsequent events**

The Condensed Consolidated Financial Statements are adjusted to reflect events that occur after the reporting date but before the Condensed Consolidated Financial Statements are issued. The Condensed Consolidated Financial Statements have their own date of authorisation, which differs from that of the financial statements of the entities which are part of Mindspace REIT group. Therefore, when preparing the Condensed Consolidated Financial Statements, management considers events up to the date of authorisation of these financial statements.

**3.22 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 Consolidated 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.

**3.23 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 Consolidated Statement of Profit and Loss, Consolidated 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%
Inlime	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.

**3.24 Cash distribution to unit holders**

The Group recognises a liability to make cash distributions to Unitholders when the distribution is authorised and a legal obligation has been created. As per the REIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Manager. A corresponding amount is recognised directly in equity.



4 Pursuant to the share acquisition agreements entered between Mindspace REIT, Sponsor Group and Blackstone Entities for acquisition of the shares of the Asset SPVs held by the Sponsor Group and Blackstone Entities, the acquisition was effected on 30 July 2020. However, consolidation of the financials of these Assets SPVs has been done effective 1 August 2020 considering the impact of 1 day operation on the financial results is immaterial

5 Property, plant and equipment

Particulars	Power assets					Other assets					Total	
	Right of use - Leasehold Land	Buildings	Plant and machinery	Electrical Installation	Temporary Structure	Plant and machinery	Electrical Installation	Office equipment	Computers	Furniture and fixtures		
Gross block (cost)												
At 18 November 2019	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	-	-	-	-	-	-	-	-	-	-	-	-
At 1 April 2020	-	-	-	-	-	-	-	-	-	-	-	-
Additions due to Asset acquisition	1	467	711	150	-	301	32	5	1	15	1,683	
Additions during the period	-	-	-	-	-	1	0	-	0	-	1	
Disposals	-	-	-	-	-	-	-	-	-	-	-	
At 30 September 2020	1	467	711	150	-	302	32	5	1	15	1,684	
Accumulated depreciation												
At 18 November 2019	-	-	-	-	-	-	-	-	-	-	-	
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	
At 31 March 2020	-	-	-	-	-	-	-	-	-	-	-	
At 1 April 2020	-	-	-	-	-	-	-	-	-	-	-	
Charge for the period	-	1	11	3	-	24	0	3	0	1	43	
Disposals	-	-	-	-	-	-	-	-	-	-	-	
At 30 September 2020	-	1	11	3	-	24	0	3	0	1	43	
Carrying amount (net)												
At 31 March 2020	-	-	-	-	-	-	-	-	-	-	-	
At 30 September 2020	1	466	700	147	-	278	32	2	1	14	1,641	

Note - refer note 46 for Asset acquisition



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**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
<b>Gross block (cost or deemed cost)</b>									
At 18 November 2019	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2020	-	-	-	-	-	-	-	-	-
As at 1 April 2020	-	-	-	-	-	-	-	-	-
Additions due to Asset acquisition	70,081	23,388	88,099	3,421	29	5,214	70	888	191,190
Additions during the period	-	-	495	24	-	114	11	59	703
Disposals	-	-	-	-	-	-	-	-	-
At 30 September 2020	70,081	23,388	88,594	3,445	29	5,328	81	947	191,893
<b>Accumulated amortisation</b>									
At 18 November 2019	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2020	-	-	-	-	-	-	-	-	-
As at 1 April 2020	-	-	-	-	-	-	-	-	-
Charge for the period	-	73	207	48	0	108	4	14	454
Disposals	-	-	-	-	-	-	-	-	-
At 30 September 2020	-	73	207	48	0	108	4	14	454
<b>Carrying amount (net)</b>									
At 31 March 2020	-	-	-	-	-	-	-	-	-
At 30 September 2020	70,081	23,315	88,387	3,397	29	5,220	77	933	191,439

**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 30 September 2020
MBPPL	3,816
Gigaplex	7,942
Sundew	585
KRIT	765
KRC Infra	3,974
Avacado	35
<b>Total</b>	<b>17,117</b>

Note - refer note 46 for Asset acquisition



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**8 Intangible assets**

Particulars	Trademarks
<b>Gross block</b>	
At 18 November 2019	-
Additions	-
Disposals	-
As at 31 March 2020	-
As at 1 April 2020	-
Additions due to Asset acquisition *	1
Disposals	-
As at 30 September 2020	1
<b>Accumulated amortisation</b>	
At 18 November 2019	-
Charge for the year	-
Disposals	-
As at 31 March 2020	-
As at 1 April 2020	-
Charge for the period	0
Disposals	-
As at 30 September 2020	0
<b>Carrying amount (net)</b>	
At 31 March 2020	-
As at 30 September 2020	1

\* includes trademark and computer softwares (less than Rs 0.5 million)

Note - refer note 46 for Asset acquisition



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**9 Investment**

Particulars	As at 30 September 2020	As at 31 March 2020
<b>Financial assets</b>		
<b>Investments in equity instruments</b>		
<b>Unquoted equity shares measured at FVTOCI</b>		
2,000 equity shares of Stergaze Properties Private Limited, face value of Rs. 10 each fully paid-up (31 March 2020 : Nil)	0	-
<b>Investment in Government Securities at amortised cost</b>		
25,000 7.61% Central Government Loan (Face value Rs 100), (31 March 2020: Nil)	3	-
25,000 8.24% GOI 2027 Bond (Face value Rs 100), (31 March 2020: Nil)	3	-
25,000 7.17% Central Government Loan (Face value Rs 100), (31 March 2020: Nil)	2	-
22,000 7.26% Central Government Loan (Face value Rs 100), (31 March 2020: Nil)	2	-
22,000 7.06% Central Government Loan (Face value Rs 100), (31 March 2020: Nil)	2	-
10,000 7.72% GOI 2055 Bond (Face value Rs 100), (31 March 2020: Nil)	1	-
18,000 7.26% GOI 2029 Bond (Face value Rs 100), (31 March 2020: Nil)	2	-
28,700 7.40% GOI 2055 Bond (Face value Rs 100), (31 March 2020: Nil)	3	-
	<b>18</b>	<b>-</b>
<b>Investments measured at cost (gross)</b>	-	-
<b>Investments measured at fair value through profit or loss</b>	-	-
<b>Investments measured at fair value through other comprehensive income</b>	0	-
<b>Investments measured at amortised cost</b>	<b>18</b>	<b>-</b>
<b>Aggregate amount of impairment recognised</b>	-	-



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**10 Other financial assets (Non current)**

Particulars	As at 30 September 2020	As at 31 March 2020
<i>Unsecured, considered good</i>		
Fixed deposits with banks	29	-
Unbilled revenue	421	-
Finance lease receivable	265	-
Security deposits for development rights	6	-
Security deposits	502	-
Other receivables	6	-
	<b>1,229</b>	<b>-</b>

**11 Deferred tax assets (net)**

Particulars	As at 30 September 2020	As at 31 March 2020
Deferred tax assets (net)	1,674	-
	<b>1,674</b>	<b>-</b>

**12 Non-current tax assets (net)**

Particulars	As at 30 September 2020	As at 31 March 2020
Advance tax (net of provision for tax)	1,478	-
	<b>1,478</b>	<b>-</b>

**13 Other non-current assets**

Particulars	As at 30 September 2020	As at 31 March 2020
<i>Unsecured, considered good</i>		
Capital advances	879	-
Balances with government authorities	29	-
Prepaid expenses	271	-
	<b>1,179</b>	<b>-</b>

**14 Inventories (valued at lower of cost and net realisable value)**

Particulars	As at 30 September 2020	As at 31 March 2020
Building materials and components	61	-
	<b>61</b>	<b>-</b>



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Condensed Consolidated Financial Statements**

**Notes to Accounts**

**(All amounts are in Rs. million unless otherwise stated)**

**15 Trade receivables**

Particulars	As at 30 September 2020	As at 31 March 2020
<i>Unsecured</i>		
Considered good	267	-
Credit impaired	70	-
Less: loss allowance	(70)	-
	267	-

**16 A Cash and cash equivalents**

Particulars	As at 30 September 2020	As at 31 March 2020
Cash on hand	2	-
Balances with banks		
- in current accounts*	5,071	0
- in escrow accounts**	34	
- in deposit accounts with original maturity of less than three months	248	-
	5,355	0

\* Rs. 4,600 million were invested in Axis Overnight Fund by Mindspace REIT on 29 September 2020, redeemed on 30 September 2020 and proceeds were received on 1 October 2020.

\*\* Represents the balance Rs. 34 million (31 March 2020 : Nil) from proceeds of initial public offer of REIT Units (Total proceeds Rs. 10,000 million). These amounts are held in the Escrow account can be withdrawn for certain specific purposes. Out of Rs. 34 million, Rs. 27 million is payable to Sponsor Group and Blackstone entities.

**16 B Other bank balances**

Particulars	As at 30 September 2020	As at 31 March 2020
Fixed deposits with maturity remaining upto twelve months*	272	-
	272	-

\*Includes fixed deposits with banks held as lien against loan availed to support debt servicing and bank guarantees

**17 Other financial assets**

Particulars	As at 30 September 2020	As at 31 March 2020
<i>Unsecured, considered good</i>		
Interest receivable		
- on fixed deposits	2	-
Interest accrued but not due		
- on other deposits	3	-
- from others	33	-
Security deposit for development rights	60	-
Security deposits	22	-
Unbilled revenue	282	-
Finance lease receivable	111	-
Other receivables		
- Considered good	158	-
- Credit impaired	1	-
Less: loss allowance	(1)	-
	671	-



MINDSPACE BUSINESS PARKS REIT  
RN:IN/REIT/19-20/003  
Condensed Consolidated Financial Statements  
Notes to Accounts  
(All amounts are in Rs. million unless otherwise stated)

18 Other current financial assets

Particulars	As at 30 September 2020	As at 31 March 2020
<i>Unsecured, considered good</i>		
Deposit / advance for supply of goods and rendering of services	39	-
Balances with government authorities	147	-
Prepaid expenses	205	-
	391	-

19 Regulatory deferral accounts

Particulars	As at 30 September 2020	As at 31 March 2020
Regulatory assets	152	-
	152	-
Regulatory liabilities	30	-
	30	-



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**20 Corpus**

Corpus	Amount
As at 18 November 2020	-
Corpus received during the period*	0
As at 31 March 2020	0
Additions during the period	-
Closing balance as at 30 September 2020	0

\* Corpus received during the period Rs. 10,000

**21 Unit Capital**

A. Unit Capital	Units	Amount
As at 18 November 2020	-	-
Units issued during the year	-	-
As at 31 March 2020	-	-
As at 1 April 2020	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note a (ii) below)	36,363,600	10,000
- in exchange for equity interest in SPVs (refer note a (iii) below)	556,654,582	153,080
Less: Issue expenses		(241)
Closing balance as at 30 September 2020	593,018,182	162,839

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

**(a) Terms/rights attached to Units**

- (i) Mindspace REIT has only one class of units. Each unit represents an undivided beneficial interest in Mindspace REIT. Each holder of Units is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of Mindspace REIT at least once in every six months in each financial year in accordance with the REIT Regulations. The Governing Board of the Manager approves dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. Mindspace REIT declares and pays dividends in Indian Rupees.

Under the provisions of the REIT Regulations, Mindspace REIT is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of Mindspace REIT for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of Mindspace REIT to pay to its unitholders cash distributions. The Unitholders' funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI circular CIR/IMD/DF/141/2016 dated 26 December 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Governing Board of the Manager.

- (ii) Initial Public Offering of 3,63,63,600 Units for cash at price of Rs. 275 per Unit aggregating to Rs. 10000 million.

- (iii) Mindspace REIT has acquired the SPVs by acquiring all the equity interest held by the Sponsor Group and Blackstone Entities in the SPVs. The acquisition of equity interest in the SPVs has been done by issue of 55,66,54,582 Units of Rs. 275 each as per the table below.

Name of the SPV	Number of Units allotted for acquiring equity interest held by Sponsor Group and Blackstone entities in SPVs		
	Sponsor group	Blackstone Entities	Total
Avacado	29,304,371	5,171,359	34,475,730
Horizonview	364	64	428
KRC Infra	21,224,693	3,745,522	24,970,215
Gigaplex	47,334,745	372,113	47,706,858
Inlime	46,789,935	9,484,426	56,274,361
Sundew	101,943,753	20,664,275	122,608,028
KRIT	77,443,859	15,698,080	93,141,939
Mindspace	150,855,361	26,621,662	177,477,023
Total number of Units issued	474,897,081	81,757,501	556,654,582

**(b) Unitholders holding more than 5 percent Units in the Trust**

Name of the unitholder	As at 30 September 2020	
	No of Units	% holding
BREP ASIA SG PEARL HOLDING (NQ) PTE LTD	54,291,425	9.16%

- (c) The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of registration till the balance sheet date. Further the Trust has not issued any units for consideration other than cash from the date of incorporation till the balance sheet date, except as disclosed above.



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**22 Other Equity\***

Particulars	As at	As at
	30 September 2020	31 March 2020
<b>Reserves and Surplus</b>		
Retained earnings	572	(49)
	<b>572</b>	<b>(49)</b>

\*Refer Consolidated Statement of changes in (Unit holder's equity for detailed movement in other equity balances.

**Retained earnings :**

The cumulative gain or loss arising from the operations which is retained and is recognized and accumulated under the heading of retained earnings. At the end of the period, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.

**23 Borrowings**

Particulars	As at	As at
	30 September 2020	31 March 2020
<b>Secured</b>		
Terms loans		
- from banks / financial institutions	25,803	-
Debentures		
10 year G-Sec linked secured, listed, guaranteed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures ("Market Linked Debentures / MLD") (31 March 2020 Nil ) (net of issue expenses, at amortised cost) (31 March 2020 : Nil)	4,972	-
	<b>30,775</b>	<b>-</b>

- (i) During the quarter ended 30 September 2020, Mindspace Business Parks REIT ("Trust") issued 5,000 10 year G-Sec linked secured, listed, guaranteed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures ("Market Linked Debentures / MLD") having face value of Rs. 10,00,000 (Rupees ten lakhs only) each, amounting to Rs. 500,00,00,000 (Rupees five hundred crores only). The tenure of the said MLD is 577 days from 29 September, 2020, being date of allotment of the Market Linked Debentures and coupon, if any shall be payable on the Scheduled Redemption Date i.e. on maturity on 29 April 2022. The coupon payoff structure is linked to condition where the payoff will be fixed on the final fixing date i.e. March 30, 2022. If identified 10 yr G-Sec's last traded price as on final fixing date is greater than 25% of its last traded price as on initial fixing date i.e. 29th September 2020, the coupon rate will be 6.80% p.a. If identified 10 yr G-Sec's last traded price as on final fixing date is less than or equal to 25% of its last traded price as on initial fixing date, the coupon rate will be zero percent. As per the valuers report in respect of valuation of these MLDs, the probability of occurrence of such an event (last traded price of identified 10 year G-Sec on final fixing date being less than or equal to 25% of its last traded price on initial fixing date) is remote and hence the value of the option considered as zero.

**Security terms**

The Market Linked Debentures are secured by each of the following security in favour of the Debenture Trustee (holding for the benefit of the Debenture Holders):

- 1 First and exclusive charge being registered simple mortgage (including receivables arising therefrom) on the aggregate leasable area of approximately 974,500 Sq. Ft. or thereabouts in buildings no. 6, 7 and 8 of Commerzone Yerawada (approx. 178,569 sq ft. in building no. 6, approx. 371,799 sq. ft. in building no. 7 and approx. 4,24,132 in building no. 8) together with the proportionate undivided right, title and interest in the notionally demarcated land admeasuring approximately 25,313 sq. mtrs. on which the said three building no. 6, 7 and 8, out of all those pieces and parcels of larger land are situate, lying and being in Village Yerawada, Taluka Haveli, District Pune ("Mortgaged Properties").
- 2 A charge on the escrow account in which receivables of the mortgaged properties of MBPPL shall be received.
- 3 Corporate guarantee to be executed by MBPPL.
- 4 In accordance with the terms of the Mortgage Documents, MBPPL is in process of creation of first ranking exclusive charge by way of a registered simple mortgage in favour of the Debenture Trustee over the Mortgaged Properties.



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**Redemption terms:**

1. These debentures are redeemable by way of bullet payment at the end of 577 days from the date of allotment, i.e. 29 April 2022
2. The Coupon shall be increased by 25 bps for every notch downgrade in the rating by the Credit Rating Agency. In case rating is upgraded after any rating downgrade, the Coupon shall be decreased by 25 bps for each upgrade. The Investors shall have the right to accelerate the MLD if the rating is downgraded to A+.
3. Upon occurrence of a mandatory redemption event, the Debenture Trustee may, by issuing not less than 30 (thirty) business days notice to the Issuer require the Issuer to redeem in full (or as the case may be, in part), all the Debentures then outstanding by paying an amount equal to the total mandatory redemption amount in respect of each Debenture.

**Disclosure required under SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018**

4. Details of non-convertible debentures are as follows:

<b>Particulars</b>	10 year G-Sec linked secured, listed, guaranteed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures (“Market Linked Debentures / MLD”)
<b>Secured/Unsecured</b>	Secured by way of a charge in the nature of registered simple mortgage on the identified properties of Mindspace Business Parks Private Limited, being one of the SPVs of the Issuer and charge on the escrow account in which receivables of the mortgaged properties of MBPPL shall be received.
<b>Previous due date</b>	Not Applicable
<b>Next due date</b>	Principle - On Maturity Interest - On Maturity

5. Rating agency CRISIL has assigned a rating of “CRISIL PP-MLD AAA/Stable” to the Market Linked Debentures of the issuer / Mindspace REIT.

6. Other requirements as per SEBI Guidelines (No. SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018) for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

<b>Particulars</b>	<b>For the half year ended 30 September 2020</b>
Security / Asset cover (refer a below)	2.32 times
Loan to value ratio (refer b below)	0.13
Debt-equity ratio (refer c below)	0.22
Debt-service coverage ratio (refer d below)	2.52
Interest-service coverage ratio (refer e below)	4.06
Net worth (refer f below)	172,717

Formulae for computation of ratios are as follows basis condensed consolidated financial statements (including non-controlling interest) :-

- a) Security / Asset cover ratio = Fair value of the secured assets as on 31 August 2020 as computed by independent valuers / (Outstanding principal amount of Market linked debentures + Interest accrued)
- b) Loan to value ratio = (Total borrowings less cash and cash equivalents and other bank balances) / Gross asset value of the group as computed by the independent valuer
- c) Debt equity ratio = Borrowings / Total equity
- d) Debt Service Coverage Ratio = Earnings before interest, depreciation and tax / (Interest expenses + Principal repayments made during the)
- e) Interest Service Coverage Ratio = Earnings before interest, depreciation and tax / (Interest expenses)
- f) Net worth = Total equity  
 Borrowings = Non current borrowings + Current borrowings + Current maturities of long-term borrowings + Interest accrued  
 \* Excludes bullet and full repayment of external borrowings.

**24 Other financial liabilities**

<b>Particulars</b>	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
Security deposits	1,950	-
Retention money Payable		
- due to micro and small enterprises	19	-
- others	79	-
Interest Accrued but not due on debentures	2	-
Lease liabilities	180	-
	2,230	-

**25 Provisions**

<b>Particulars</b>	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
<b>Provision for employee benefits</b>		
- gratuity	6	-
- compensated absences	2	-
	8	-

**26 Deferred tax liabilities (net)**

<b>Particulars</b>	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
Deferred tax liabilities (net)	67	-
	67	-



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

**Condensed Consolidated Financial Statements**

**Notes to Accounts**

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

<b>27 Other non-current liabilities</b>		
Particulars	As at 30 September 2020	As at 31 March 2020
Unearned rent	420	-
Other advance	170	-
	590	-
<b>28 Borrowings (Current)</b>		
Particulars	As at 30 September 2020	As at 31 March 2020
<b>Secured:</b>		
Loans repayable on demand		
- overdraft from banks	1,462	-
	1,462	-
<b>29 Trade payables</b>		
Particulars	As at 30 September 2020	As at 31 March 2020
<b>Trade Payables</b>		
- total outstanding dues of micro enterprises and small enterprises	86	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	830	-
	916	-
<b>30 Other financial liabilities (Current)</b>		
Particulars	As at 30 September 2020	As at 31 March 2020
Current maturities of long-term debt		
- from banks / financial institutions / non convertible debentures	5,663	-
Employees dues payable	0	-
Interest accrued but not due on loans from		
- banks / financial institutions	50	-
- others	3	-
Interest accrued and due	65	-
Security deposits	5,439	-
Retention dues payable		
- due to micro and small enterprises	131	-
- others	98	-
Capital creditors		
Other than body corporates		
- Due to micro and small enterprises	373	-
- Others	1,287	-
Lease liabilities	18	-
Other liabilities*	136	49
Liability towards derivatives contract	2	-
	13,265	49
* Includes expenses of Rs.8 millions incurred by the Manager on behalf of Mindspace REIT and Rs. 21 millions payable to Sponsor Group held in escrow account.		
<b>31 Provisions (Current)</b>		
Particulars	As at 30 September 2020	As at 31 March 2020
Provision for employee benefits (refer note 23 above)		
- gratuity	1	-
- compensated absences	-	-
Provision for tax (net of advance tax & tax deducted at source)	57	-
	58	-
<b>32 Other current liabilities</b>		
Particulars	As at 30 September 2020	As at 31 March 2020
Unearned rent	228	-
Advances received from customers	248	-
Statutory dues	306	-
Other advances	5	-
Other payable	62	-
	849	-



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**33 Revenue from operations**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
<b>Sale of services</b>				
Facility rentals	2,190	-	2,190	-
Maintenance services	400	-	400	-
Revenue from works contract services	68	-	68	-
<b>Revenue from power supply</b>	64	-	64	-
<b>Other operating income</b>				
Interest income from finance lease	14	-	14	-
Sale of surplus construction material and scrap	1	-	1	-
Service connection and other charges	1	-	1	-
Other operating income	1	-	1	-
	<b>2,739</b>	<b>-</b>	<b>2,739</b>	<b>-</b>

**34 Interest**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
<b>Interest income</b>				
- loans given to body corporates	22	-	22	-
- on fixed deposits	5	-	5	-
- on electricity deposits	3	-	3	-
- on Income-tax refunds	6	-	6	-
- others	1	-	1	-
	<b>37</b>	<b>-</b>	<b>37</b>	<b>-</b>

**35 Other income**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Gain on redemption of preference shares	3	-	3	-
Gain on redemption of mutual fund units	1	-	1	-
Miscellaneous income	0	-	0	-
	<b>4</b>	<b>-</b>	<b>4</b>	<b>-</b>

**36 Cost of work contract services**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Cost of work contract services	68	-	68	-
	<b>68</b>	<b>-</b>	<b>68</b>	<b>-</b>

**37 Cost of materials sold**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Cost of materials sold	2	-	2	-
	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**38 Cost of power purchased**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Cost of power purchased	59	-	59	-
	59	-	59	-

**39 Employee benefits expense**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Salaries and wages	7	-	7	-
Contribution to provident and other funds	1	-	1	-
Gratuity expenses	0	-	0	-
Compensated absences	(0)	-	(0)	-
	8	-	8	-

**40 Repairs and maintenance**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Repairs and maintenance:				
- building	124	-	124	-
- plant and machinery	51	-	51	-
- computers	0	-	0	-
- electrical installation	5	-	5	-
	180	-	180	-

**41 Other expenses**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Rent	0	-	0	-
Property tax	78	-	78	-
Royalty	-	1	1	8
Electricity, water and diesel charges	63	-	63	-
Travelling and conveyance	1	-	1	0
Rates and taxes	1	-	1	-
Business support fees	9	-	9	-
Brokerage and commission	28	-	28	-
Filing fees and stamping charges	(1)	0	(1)	15
Business promotion expenses/advertising expense	9	-	9	-
Bank Charges	3	0	3	-
Bad debts written off	3	-	3	-
Corporate Social Responsibility expenses	9	-	9	-
Provision for Doubtful Debts (expected credit loss allowance)	20	-	20	-
Foreign exchange loss (net)	9	-	9	-
Directors' sitting fees	0	-	0	-
Miscellaneous expenses	12	0	12	-
	244	1	245	23



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**42 Finance costs (net of capitalisation)**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Interest expense				
- on borrowings from banks and financial institutions	530	-	530	-
- on loans from body corporates	49	-	49	-
- debentures	2	-	2	-
- on lease liability	4	-	4	-
- on others	5	-	5	-
Accretion of interest on 0.001% non-cumulative redeemable preference shares	4	-	4	-
Unwinding of interest expenses on security deposits	43	-	43	-
Other finance charges	8	-	8	-
Less: Finance costs capitalised to investment property under construction	(144)	-	(144)	-
	<b>501</b>	<b>-</b>	<b>501</b>	<b>-</b>

**43 Depreciation and amortisation**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Depreciation / amortisation of property, plant and equipment	43	-	43	-
Depreciation / amortisation of investment property	453	-	453	-
Amortisation of intangible assets	0	-	0	-
Less: depreciation cost transferred to investment properties under construction	(0)	-	(0)	-
	<b>496</b>	<b>-</b>	<b>496</b>	<b>-</b>

**44 Tax expense**

Particulars	For the quarter ended 30 September 2020	For the quarter ended 30 June 2020	For the half year ended 30 September 2020	From 18 November 2019 to 31 March 2020
Current tax	268	-	268	-
Deferred tax charge	158	-	158	-
MAT credit entitlement	(68)	-	(68)	-
	<b>358</b>	<b>-</b>	<b>358</b>	<b>-</b>

**45 Subsequent events**

- (i) KRC Infra has commenced facility management business with effect from 1 October, 2020 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.
- (ii) Subsequent to the period ended September 30, 2020, Gigaplex has repaid outstanding loan of Rs. 2,430 million and Avacado has repaid outstanding loan of Rs. 2,200 million of HDFC Limited.



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**

**(All amounts are in Rs. million unless otherwise stated)**

**46 Asset Acquisition**

The Mindspace REIT entered into share acquisition agreements with shareholders of 8 Asset SPVs (refer note 1 under accounting policies for list of these SPVs) for acquisition of shares of the Asset SPVs in exchange for the units of Mindspace REIT. The acquisition was effected on 30th July 2020 ("Acquisition Date").

Requirements of Ind AS 103 apply to a transaction in which assets acquired and liabilities assumed constitute a business. However, para B7A and B7B of Ind AS 103 allow an optional concentration test to perform simplified assessment of whether acquired set of activities and assets is not a business. The consequence of the test is that if the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

REIT has opted to apply optional concentration test in respect of acquisition of these SPVs. Acquired SPVs are engaged in the business of real estate development and leasing. Major asset pool of these SPVs comprise of investment property and investment property under construction. Based on the assessment performed, management has determined that substantially all of the fair value of the gross assets acquired is concentrated in investment property and investment property under construction (including other assets which meet the definition of group of similar identifiable assets as per definition provided in para B7B of Ind AS 103 such as investment property, property, plant and equipment attached to these investment properties which cannot be physically removed and used separately from these investment properties, without incurring significant cost, or significant diminution in utility or fair value to either asset).

Accordingly, acquisition of these SPVs has been accounted as acquisition of group of assets not constituting a business and requirements in Ind AS 103 for business combination accounting has not been applied to this transaction. The REIT has accounted for the transaction as follows:

- a. Identified asset or liability initially measured at an amount other than cost and applied applicable standards for initial measurement of these assets and liabilities
- b. Plant and Machinery recognised at fair value as determined by an independent valuer
- c. Deducted from the gross transaction price of the group acquired, amount recognised in respect of items listed in point (a) and (b) above
- d. Allocated the residual transaction price to the remaining identifiable assets (i.e. Land and Buildings which are then being classified as Investment Property and Investment property under construction) based on their relative fair values at the date of acquisition, arrived at by an independent valuer.

The transaction has not resulted in recognition of goodwill or bargain gain in the books of the REIT. Non-controlling interests in these subsidiaries have a present ownership interest and is entitled to a proportionate share of net assets upon liquidation. These non-controlling interests have been accounted at their fair value on the date of acquisition of the SPVs. For this purpose, fair value has been determined in accordance with Ind AS 113.

As consideration for the assets acquired, Mindspace REIT issued 556,654,582 units at unit price of Rs. 275 per unit totalling to Rs. 153,080 million. Mindspace REIT has also incurred directly attributable expenses in relation to the asset acquisition, amounting to Rs. 23 million, resulting in the total transaction price of Rs. 153,103 million. The following tables summarize the total transaction price, gross transaction price and the allocation of the transaction price.



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**

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

Particulars	Amount (in million)
Purchase consideration	153,080
Acquisition costs	23
<b>Total transaction price</b>	<b>153,103</b>
Issue price per unit	275

Based on the above total transaction price and adjusting for the other assets and liabilities assumed, the gross transaction price is as follows:

Particulars	Amount (in million)
<b>Total Transaction Price</b>	<b>153,103</b>
Less: Other Assets	44,344
Add: Other Liabilities	91,570
Add: Non-Controlling Interest	9,247
<b>Gross Transaction Price</b>	<b>209,576</b>

Based on the above total transaction price and adjusting for the other assets and liabilities assumed, the gross transaction price is allocated as follows on the basis of the allocation explained above :

Particulars	Amount (in million)
Land – freehold and leasehold as part of Investment property	93,469
Building as part of Investment property	88,099
Investment property under construction	16,680
Property, plant and equipment and other assets	11,327
<b>Total</b>	<b>209,575</b>

Depreciation on leasehold land, building, plant & machinery and other assets has been calculated on the above allocated amounts based on the balance useful lives of these assets as per the accounting policy.



47 Contingent liabilities and Capital commitments

Particulars	As at 30 September 2020	As at 31 March 2020
<b>Contingent liabilities</b>		
Claims not acknowledged as debt in respect of		
- Income-Tax matters (Refer note 1 below) excluding interest	969	-
- Service-Tax matters (Refer note 2 below)	333	-
- Customs duty matters (Refer note 3 below)	25	-
- Stamp duty	65	-
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer Note 4 below)	4,949	-

For the purpose of above disclosure only those contingent liabilities that existed as of 30 September 2020 have been considered.

Notes:

- 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 outstanding.

(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.

SPVs	As at 30 September 2020	As at 31 March 2020
MBPPL	92	-
Sundew	2	-
Intime	41	-
KRIT	189	-
Avacado	8	-
	332	-

**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 filed 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 million (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 million (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, the Company has filed applications in Form SVLDRS-1 under the Sakba Vishwas (Legacy Dispute Resolution) Scheme, 2019. The Company has received SVLDRS-3 with service tax demand in respect of above matters. The Company has not accepted the demand and is evaluating the further course of action.

- 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

- The SPV wise details of capital commitments are as follows:

	As at 30 September 2020	As at 31 March 2020
MBPPL	468	-
Gigaplex	1,325	-
Sundew	696	-
KRC Infra	1,597	-
Horizonview	338	-
KRIT	354	-
Avacado	171	-
	4,949	-



**5 Avacado**

- a) A Suit has been filed in the year 2008 by Nushi 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 and accordingly, Ind AS Financial statements of the company have been prepared on a going concern basis.

Further, the Plaintiff, through his advocates & solicitors, had addressed letter dated 13 February, 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**

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 Balasahb 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 Raju 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 purnhis 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 Chhatrapati 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 purnhis 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. On 07.04.2020 the matter has been further adjourned till 11.06.2020. On 11.06.2020 the matter was further adjourned till 11.09.2020 and the same has now been further adjourned till 04.12.2020. 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 matters came on board on 20.06.2019, 14.11.2019, 15.01.2019 and 21.02.2019. As per the CMIS Writ Petition No. 4415/2017 was last posted on 27.03.2020, and is yet not listed. As per the CMIS Writ Petition No. 4268/2017 was last posted on 27.03.2020 and is now listed on 12.10.2020 for Admission. 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 SPV 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 SPV 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 million 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.5 million is to be paid by Panchasil and MBPPL. MBPPL has received letter from MSEDCL addressed to MBPPL and Panchasil to pay penalty charges of Rs. 5 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. 5 millions and requesting Panchashil and MBPPL to make the payment at the earliest. MBPPL has sent a reply letter informing MSEDCL that MBPPL is not liable to pay penalty of Rs. 3 million and in respect of the penalty of Rs. 2 millions, MBPPL and Panchasil are both jointly liable to pay the same. MBPPL has further requested MSEDCL to confirm on the same to enable MBPPL and Panchasil to discuss/negotiate on the same. It is learnt that Panchasil made the payment of Rs. 5 million 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.157 million 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, Sundew and KRIT**
- 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", "JV Company") 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 30 September 2020.  
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 KRIT. 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 JV 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 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**  
"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. The Plaintiff's Appeal filed in Thane District Court is still pending, it's next date is on 16.10.2020. In management view, the estimate of liability arising out of the same is remote, no provision has been taken.
- 10 KRIT**  
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 upon the triangular piece of 2 acres 40 cents of land earlier identified at the time of allotment as 'Common Facility Centre' in the software layout until further orders of the Court. IALA and APIIC have filed affidavits opposing the writ petition, confirming the allotment and rights of KRIT in the Suit Land, and for vacating the Stay Order. The matter is pending before the Court. Greater Hyderabad Municipal Corporation ("GHMC") had filed an application in the Court for clarification that the Stay Order does not preclude GHMC from acquiring a portion of 0.14 acres (approximately 567 square meters) for road widening. Subsequently, GHMC has acquired the portion of land and constructed the road. 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**  
W.S. Industries (India) Limited ("WSIL") 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 WSIL on certain conditions, and instead of using such lands for common purpose, WSIL has been using the lands for commercial purpose. WSIL is the erstwhile owner of the land, a portion of which was subsequently sold and transferred by WSIL 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.
- 48 Assessment of possible impact resulting from Covid-19**  
The Mindspace Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the operations of the Mindspace Group and carrying amounts of property, plant and equipment, Investment Property, Inventories, receivables and other assets. The Mindspace Group, as at the date of approval of these financial statements, has used internal and external sources of information to determine the expected future impact of COVID-19 pandemic on the performance of the Mindspace Group. The Mindspace Group based on current estimates expects the carrying amount of the assets to be recovered. However, 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 impacts, if any, on the Mindspace Group's operations.
- 49 Management Fees**
- Property Management Fee**  
Pursuant to the Investment Management Agreement dated 29 June 2020 as amended, the Manager is entitled to fees @ 3% of the Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the SPVs, as applicable. The fees has been determined to meet the ongoing costs of the Investment Manager to undertake the services provided to the Mindspace REIT and its SPVs.  
Property Management fees for the quarter and half year ended 30 September 2020 amounts to Rs 58 million (31 March 2020: Rs Nil). There are no changes during the period in the methodology for computation of fees paid to the Manager.
- REIT Management Fees**  
Pursuant to the Investment Management Agreement dated 21 November 2019, Investment Manager is entitled to fees @ 0.5% of REIT Net Distributable Cash Flows which shall be payable either in cash or in Units or a combination of both, at the discretion of the Investment Manager. The fees has been determined for undertaking management of the REIT and its investments. There is no REIT Management fees accrued for the quarter and half year ended 30 September 2020 and for the period ended 31 March 2020. There are no changes during the period in the methodology for computation of fees paid to the Investment Manager.
- Support Services Fee**  
Pursuant to the Investment Management Agreement dated 29 June 2020 as amended, the Manager is entitled to fees @ 0.5% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Investment Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the quarter and half year ended 30 September 2020 amounts to Rs. 10 million (31 March 2020: Rs Nil). There are no changes during the period in the methodology for computation of fees paid to the Manager.
- 50 Statement of Net Distributable Cash Flows have not been disclosed since the first distribution of the REIT as stated in the Final Offer Document will be made upon completion of the first full quarter after the listing of the Units on the Stock Exchanges i.e. 31 December, 2020.**



**51 Details of utilisation of proceeds of IPO are as follows:**

Particulars	Proposed utilisation	Actual utilisation upto 30 September 2020	Unutilised amount as at 30 September 2020
Partial or full pre-payment or scheduled repayment of certain debt facilities of the Asset SPVs availed from banks/financial institutions (including any accrued interest and any applicable penalties/ premium)	9,000	9,300	Refer Note
Purchase of Non Convertible Redeemable Preference Shares of MBPPL	334	334	-
General Corporate Purposes and REIT Issue Expenses	666	309	Refer Note
<b>Total</b>	<b>10,000</b>	<b>9,943</b>	<b>-</b>

Note: Rs. 300 million is used in excess for providing loans to Asset SPVs for the purpose of repayment of debt facilities of the SPVs and balance Rs. 57 million is unutilised as on 30 September 2020.

**52 Details of utilisation of proceeds of Debentures are as follows:**

Particulars	Proposed utilisation	Actual utilisation upto 30 September 2020	Unutilised amount as at 30 September 2020
Providing loans to the SPVs for meeting their construction related expenses, working capital or general corporate requirements, repayment of financial indebtedness, general corporate purposes including payment of fees and expenses in connection with the Issue, acquisition of commercial properties or such other purposes as stipulated in the transaction documents.	5,000	400	4,600

Note : Rs. 4,600 million were invested in Axis Overnight Fund by Mindspace REIT on 29 September 2020, redeemed on 30 September 2020 and proceeds were received on 1 October 2020.

**53 Earnings Per Unit (EPU)**

Basic EPU amounts are calculated by dividing the profit for the period attributable to Unit holders by the weighted average number of units outstanding during the period. Diluted EPU amounts are calculated by dividing the profit attributable to unit holders by the weighted average number of units outstanding during the period. The Units of the Trust were allotted to Sponsor Group and Blackstone entities on 30 July 2020 and to the applicants of initial public offer on 4 August 2020.

Particulars	For the quarter ended September, 2020	For the half year ended September, 2020
Profit/ (loss) after tax for calculating basic and diluted EPU	626	621
Weighted average number of units (no. in million)	404	203
<b>Earnings Per Unit</b>		
- Basic (Rupees/unit)	1.55	3.06
- Diluted (Rupees/unit)	1.55	3.06



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**(All amounts are in Rs. million unless otherwise stated)**

**54 Net Assets At Fair Value attributable to Mindspace REIT**

S.No	Particulars	As at 30 September 2020	As at 30 September 2020
		Book Value*	Fair value
A	Assets	212,287	249,370
B	Liabilities **	48,876	48,685
C	Net Assets (A-B)	163,411	200,685
D	No. of units	593,018,182	593,018,182
E	NAV (C/D)	275.56	338.41

\* as reflected in the Balance Sheet

\*\*excluding lease liabilities in Fair value

The above fair value includes value of facility management business which was commenced in KRC Infra with effect from 1 October 2020

**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.

*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 a mix of Market Approach and Discounted Cash Flow method, as the case may be. 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.

**Note:**

- 1 Other assets at book value excludes capital advances, unbilled revenue and finance lease receivable (which form part of fair valuation of the Investment Property, Property, Plant and Equipment, Investment property under construction and Capital work-in-progress).
- 2 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.
- 3 Power Deemed Distribution License operations in Gigaplex, MBPPL and KRC Infra have been valued by the valuer separately using Discounted Cash Flow method.
- 4 Liabilities at book value for calculation of fair value of NAV, excludes lease liability (which is factored in fair valuation of the Investment Property, Property, Plant and Equipment, Investment property under construction and Capital work-in-progress).



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Net Operating Income**  
**(All amounts are in Rs. million unless otherwise stated)**

**55 Net Operating Income (NOI)**

The Mindspace REIT entered into share purchase agreement with Sponsor group and Blackstone entities of Asset SPVs for acquisition of the shares of the SPVs held by such shareholders in exchange for the units of Mindspace REIT (refer note 46). Acquisition of these SPVs has been accounted as acquisition of group of assets based on the concertation test permitted as per Companies (Indian Accounting Standards) Amendment Rules, 2020 and accordingly, requirements in Ind AS 103 for business combination accounting are not applicable to this transaction.

The revenue and expenses pertaining to these SPVs have been consolidated from 1 August 2020 and therefore these condensed consolidated financial statements include results of the these SPVs from 1 August 2020 to 30 September 2020 only. As the transaction is being accounted as asset acquisition and not a business combination, the pro forma information is not required to be disclosed per Indian Accounting Standards applicable to the transaction. However, considering these proforma information to be relevant to the investors, the Governing Board has decided to provide following additional 'pro-forma' information to represent an approximate measure of the performance of the Mindspace REIT group for the quarter ended 30 June 2020, quarter and half year ended 30 September 2020 and year ended 31 March 2020, as if the acquisition had occurred on 1 April 2019 following the analogy from disclosures required in Ind AS 103 for 'Business Combinations'.

The following pro forma financial information has been prepared by combining the historical results of all the SPVs for the respective periods after making adjustment for intra group transactions and unrealised profits, if any. The pro forma financial information is presented solely for informational purposes and is not indicative of the results of operations that would have been achieved if the acquisition of SPVs had taken place on 1 April 2019 or of results that may occur in the future.

Particulars	Quarter ended	Quarter ended	Half year ended	Year ended
	30 June 2020 (Unaudited)	30 September 2020 (Unaudited)	30 September 2020 (Unaudited)	31 March 2020 (Unaudited)
Proforma Revenue from operations	3,959	4,079	8,038	17,660
Proforma direct operating expenses *	741	713	1,454	5,403
<b>Net operating income</b>	<b>3,218</b>	<b>3,366</b>	<b>6,584</b>	<b>12,257</b>

\* direct operating expenses are repairs and maintenance - buildings, repairs and maintenance plant and machinery, repairs and maintenance electrical installation , property tax, insurance expense, cost of material sold, cost of power purchased and power operation & maintenance expenses)



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**56 Financial instruments**

**A** The carrying value and fair value of financial instruments by categories are as below:

<b>Financial assets</b>	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
<b>Fair value through other comprehensive income ('FVTOCI')</b>		
Investments - non-current	0	-
<b>Fair value through profit and loss ('FVTPL')</b>		
Investment in mutual funds - current investments	-	-
<b>Amortised cost</b>		
Investments - non-current	18	-
Trade receivables	267	-
Cash and cash equivalents	5,355	0
Other bank balances	272	-
Other financial assets	1,900	-
<b>Total assets</b>	<b>7,812</b>	<b>0</b>
<b>Financial liabilities</b>		
Borrowings (including current maturities of long-term debt)	37,899	-
Security deposits	7,388	-
Trade payables	916	-
Other financial liabilities	2,444	49
<b>Total liabilities</b>	<b>48,647</b>	<b>49</b>

The Management considers that the carrying amount of the above financial assets and liabilities approximates to their fair value.



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Condensed Consolidated Financial Statements**

**Notes to Accounts**

**(All amounts are in Rm. million 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 30 September 2020.

**Financial instruments**

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2020:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>					
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.



MINDSPACE BUSINESS PARKS REIT  
RN:IN/REIT/19-20/003  
Condensed Consolidated Financial Statements  
Notes to Accounts  
(All amounts are in Rs. million unless otherwise stated)

57 Non-controlling interest

Name of the entity	For the period ended 30 September 2020			
	Net assets		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated total comprehensive income	Amount
<b>Parent</b>				
Mindspace Business Parks REIT	94.6%	163,411	91.5%	626
<b>Subsidiaries</b>				
Intime Properties Limited	1.1%	1,930	2.2%	15
K. Raheja IT Park (Hyderabad) Limited	1.8%	3,185	3.0%	20
Sundew Properties Limited	2.4%	4,191	3.4%	23
<b>Consolidated net assets/ Total comprehensive income</b>	<b>100%</b>	<b>172,717</b>	<b>100%</b>	<b>684</b>



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**57 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 30 September 2020
Non-current assets	14,764
Current assets	3,625
Non-current liabilities	(226)
Current liabilities	(622)
<b>Net assets</b>	<b>17,541</b>
<b>NCI</b>	<b>11.0%</b>
<b>Carrying amount of Non-controlling interests</b>	<b>1,930</b>
Particulars	As at 30 September 2020
Total comprehensive income for the period	139
<b>Attributable to Non-controlling interest</b>	
Total comprehensive income for the period	15
<b>Cash flows from/ (used in) :</b>	
Operating activities	14
Investing activities	0
Financing activities	(0)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>14</b>

**(ii) K. Raheja IT Park (Hyderabad) Limited**

Particulars	As at 30 September 2020
Non-current assets	23,323
Current assets	6,649
Non-current liabilities	(191)
Current liabilities	(820)
<b>Net assets</b>	<b>28,961</b>
<b>NCI</b>	<b>11.0%</b>
<b>Carrying amount of Non-controlling interests</b>	<b>3,186</b>
Particulars	As at 30 September 2020
Total comprehensive income for the period	184
<b>Attributable to Non-controlling interest</b>	
Total comprehensive income for the year	20
<b>Cash flows from:</b>	
Operating activities	11
Investing activities	(6)
Financing activities	(2)
<b>Net increase in cash and cash equivalents</b>	<b>3</b>



**MINDSPACE BUSINESS PARKS REIT**  
**RN:IN/REIT/19-20/003**  
**Condensed Consolidated Financial Statements**  
**Notes to Accounts**  
**(All amounts are in Rs. million unless otherwise stated)**

**(iii Sundew Properties Limited**

Particulars	As at 30 September 2020
Non-current assets	47,175
Current assets	1,554
Non-current liabilities	(8,206)
Current liabilities	(2,425)
<b>Net assets</b>	<b>38,098</b>
<b>NCI</b>	<b>11.0%</b>
<b>Carrying amount of Non-controlling interests</b>	<b>4,191</b>
Particulars	As at 30 September 2020
Total comprehensive income for the period	208
<b>Attributable to Non-controlling interest</b>	
Total comprehensive income for the year	23
<b>Cash flows from/ (used in) :</b>	
Operating activities	37
Investing activities	651
Financing activities	(684)
<b>Net increase in cash and cash equivalents</b>	<b>4</b>
<b>Total carrying amount of NCI</b>	<b>9,307</b>



**MINDSPACE BUSINESS PARKS REIT**

**RN:IN/REIT/19-20/003**

**Notes to the Condensed Consolidated Financial Statements**

**(All amounts are in Rs. million unless otherwise stated)**

**58 Related Party Disclosures**

**A. Parties to Mindspace REIT (Refer Note 1)**

Sl. No.	Particulars	Name of Entities	Promoters/Partners *	Directors	
1	Trustee	Axis Trustee Services Limited	-	-	
2	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	-	
3					
4	Manager	K Raheja Corp Investment Managers LLP	Mr. Ravi C. Raheja Mr. Neel C. Raheja	-	
5	Sponsors Group	Mr. Chandru L. Raheja	-	-	
6		Mr. Ravi C. Raheja	-	-	
7		Mr. Neel C. Raheja	-	-	
8		Mrs. Jyoti C. Raheja	-	-	
9			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	-
10					
11		Raghukool Estate Development 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	-	
12					
13		K. Raheja Corp Pvt. Ltd.	Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	Ravi C. Raheja Neel C. Raheja Ramesh Valecha Vinod Rohira	
			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		
14		Ivory Property Trust	Chandru L. Raheja Jyoti C. Raheja Ivory Properties & Hotels Pvt Ltd Ravi C. Raheja Neel C. Raheja (all are trustees)	-	
15		Genext Hardware & Parks Pvt. Ltd.	Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	Ravi C. Raheja Neel C. Raheja Ramesh Valecha	
			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		



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

Notes to the Condensed Consolidated Financial Statements

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

**58 Related Party Disclosures****A. Parties to Mindspace REIT (Refer Note 1)**

Sl. No.	Particulars	Name of Entities	Promoters/Partners *	Directors
16	Governing Board and Key Managerial Personnel of the Manager (K Raheja Corp Investment Managers LLP)	<u>Governing Board</u> Mr. Deepak Ghaisas Ms. Manisha Girotra Mr. Bobby Parikh Mr. Alan Miyasaki Mr. Ravi C. Raheja Mr. Neel C. Raheja  <u>Key Managerial Personnel</u> Mr. Vinod Rohira Ms. Preeti Chheda		
18	Entities controlled/jointly controlled by members of Governing Board.	Brookfields Agro & Development Private Limited Cavalcade Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited Sustain Properties Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited Content Properties Private Limited Grandwell Properties And Leasing Private Limited Sundew Real Estate Private Limited M/s Bobby Parikh and Associates		

\* only when acting collectively



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

**Notes to the Condensed Consolidated Financial Statements**

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

**58 Related party disclosures****B. Related parties with whom the transactions have taken place during the period**

Particulars	Quarter ended		For half year ended	From 18 November
	30 September 2020	30 June 2020	30 September 2020	2019 to 31 March 2020
<b>Project Management Fees</b>				
K Raheja Corp Investment Managers LLP	-	-	68	-
<b>Trustee fee expenses</b>				
Axis Trustee Services Limited	1	-	1	-
<b>Legal &amp; professional fees</b>				
M/s Bobby Parikh and Associates	6	-	6	-
<b>Interest income</b>				
Ivory Property Trust	19	-	19	-
<b>Rent expense</b>				
Genext Hardware & Parks Pvt. Ltd	2	-	2	-
<b>Royalty Charges</b>				
Anbee Constructions LLP	-	-	-	1
Cape Trading LLP	-	-	-	1
Ivory Properties & Hotels Private Limited	-	-	-	1
K. Raheja Private Limited	-	-	-	1
K. Raheja Corp Private Limited	-	-	-	2
<b>Sitting Fees</b>				
Neel C Raheja	0	-	0	-
Ravi C Raheja	0	-	0	-
Vinod N. Rohira	0	-	-	-
Preeti Chheda	0	-	-	-
<b>Loan repaid</b>				
Ivory Property Trust	3150	-	3150	-
<b>Reimbursement of Expenses</b>				
K Raheja Corp Investment Managers LLP*	48	1	49	41
*Includes fees paid to M/s Bobby Parikh & Associates amounting to Rs. 0.48 million for the quarter ended 30 June 2020 and half year ended 30 September 2020 and Rs 1 million for the period ended 31 March 2020.				
<b>Payment to Sponsor Group companies in relation to Offer for Sale</b>				
Chandru L Raheja	10	-	10	-
Jyoti C Raheja	1,139	-	1,139	-
Ravi C Raheja	1,179	-	1,179	-
Neel C Raheja	1,179	-	1,179	-
Genext Hardware & Parks Private Limited	957	-	957	-
Inorbit Malls (India) Private Limited	1,505	-	1,505	-
Ivory Properties And Hotels Private Limited	3,385	-	3,385	-
Ivory Property Trust	10,352	-	10,352	-
K. Raheja Corp Private Limited	4,301	-	4,301	-
K. Raheja Private Limited	2,851	-	2,851	-
<b>Initial receipt from Co-sponsor - received</b>				
Anbee Constructions LLP	-	-	-	0
Cape Trading LLP	-	-	-	0
<b>Issue of Unit capital</b>				
Anbee Constructions LLP	9,736	-	9,736	-
Cape Trading LLP	9,736	-	9,736	-
Capstan Trading LLP	11,301	-	11,301	-
Casa Maria Properties LLP	11,301	-	11,301	-
Chandru L. Raheja	8,974	-	8,974	-
Genext Hardware & Parks Private Limited	6,294	-	6,294	-
Ivory Property Trust	2,410	-	2,410	-
Jyoti C. Raheja	2,745	-	2,745	-
K Raheja Corp Private Limited	10,064	-	10,064	-
Neel C. Raheja	4,637	-	4,637	-
Palm Shelter Estate Development LLP	11,301	-	11,301	-
Raghukool Estate Development LLP	9,958	-	9,958	-
Ravi C. Raheja	4,637	-	4,637	-



**MINDSPACE BUSINESS PARKS REIT**

RN:IN/REIT/19-20/003

Notes to the Condensed Consolidated Financial Statements

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

**58 Related party disclosures****C. Year end balances**

Particulars	For half year ended	For year ended
	30 September 2020	31 March 2020
<b>Trade Receivables</b>		
Carin Properties Private Limited	0	-
<b>Other Receivable</b>		
Vinod N Rohira	0	-
<b>Trade Payables</b>		
K Raheja Corp Investment Managers LLP	43	-
<b>Sitting Fees Payable</b>		
Neel C. Raheja	0	-
Ravi C. Raheja	0	-
Vinod N. Rohira	0	-
Preeti Chheda	0	-
<b>Other Financial Liabilities</b>		
K Raheja Corp Investment Managers LLP	8	49
<b>Security Deposit</b>		
K. Raheja Corp Pvt. Ltd.	2	-
<b>Payable to Selling Shareholders</b>		
Chandru L. Raheja	0	-
Inorbit Malls (I) Private Limited	1	-
Ravi C. Raheja	1	-
K Raheja Corp Private Limited	3	-
Neel C. Raheja	1	-
Jyoti C. Raheja	1	-
K Raheja Private Limited	2	-
Ivory Properties & Hotels Private Limited	3	-
Genext Hardware & Parks Private Limited	1	-
Ivory Property Trust	8	-
<b>Co-Sponsor Initial Corpus</b>		
Anbee Constructions LLP	0	0
Cape Trading LLP	0	0

59 "0" represents value less than Rs. 0.5 million.





## Mindspace Business Parks REIT Announces Results for Q2 and H1 FY2021

**Mumbai, November 11, 2020:** Mindspace Business Parks REIT (BSE: 543217 | NSE: MINDSPACE) ('Mindspace REIT'), owner and developer of quality Grade A office portfolio located in four key office markets of India, reports first results since listing, for the quarter and half year ended September 2020.

The impact and temporary disruptions of COVID-19 on businesses worldwide and India has been significant. Mindspace REIT has shown a fair degree of resilience, ensuring the inherent strengths and fundamentals of its business remain intact. **Organizational competencies** built over the years, **cost optimization** initiatives, **disciplined approach to revenue management** and a **healthy balance sheet**, augured well for the business. What gave Mindspace REIT a distinct advantage was the **constant engagement with its long-standing clients**, coupled with a cohesive ecosystem with **high standards of health and safety**, addressing the emerging challenges and varying business dynamics.

### Performance Highlights for H1 FY 2021

- **Gross leasing remained on track at 1.0 msf, with an average rent of INR 70 psf/month**
- **Achieved Re-leasing spread of 33.1%** on 0.6 msf of area re-leased
- **Collected more than 99% of Gross Contracted Rentals**
- **Committed Occupancy** on enhanced portfolio of **88.9%** (4.0 msf completed in last 12 months including **0.8 msf at Commerzone, Porur** in Chennai completed in June 2020)
- **Same Store Committed Occupancy of 94.7%** (Sep 20 vs Sep 19, on 19.9 msf area)

### Financial Highlights for H1 FY2021

- **Net Operating Income of INR 6,584 Mn**
- **Raised INR 5,000 Mn via debentures at 6.8% p.a.<sup>(1)</sup>** (Rating - CRISIL PP-MLD AAAR/Stable)
- **Weighted average cost of debt reduced** from 9.2% in March 2020 **to 8.1%<sup>(2)</sup>** in September 2020
- **Robust balance sheet with low net debt to market value of 13.6%<sup>(3)</sup>**
- **NAV of INR 338.41 per unit as of 30 September 2020**

### Operational Update for H1 FY2021

- **Resumed construction activity for 1.7 msf** ongoing, on campus development projects
- **Workforce strength** increasing gradually and **stands at over 75%** of pre COVID levels
- **Health and safety measures and protocols** in place to ensure a safe work environment
- **Re-energizing of parks in progress** with resumption of planned upgrades across projects

*Note:*

1. *Market Linked Debentures (MLDs) - G-Sec linked subject to terms of and conditions mentioned in the Information Memorandum dated 28 September 2020*
2. *On p.a.p.m. basis post utilization of Market Linked Debentures (MLDs) proceeds in October 2020*
3. *Net Debt and Market value as of 30 September 2020*



### **Other Updates for H1 FY2021**

- Received the **British Safety Council's Covid-19 Assurance Assessment**, for our globally benchmarked workplace, health, safety and environment standards, across key projects
- Became the **first real estate entity from India to join the Climate Group's EV 100 initiative**, committing to **100% electric mobility by 2030**

**Speaking on the results, Mr. Vinod Rohira, Chief Executive Officer, Mindspace Business Parks REIT** said, "We have delivered on net operating income and gross leasing in line with our projections, reflecting the ability of the team to perform in challenging times. Our long-standing relationship with tenants and robust asset management, ensured we collected 99% rentals. We have also added new tenants to our portfolio, while helping some of our existing tenants grow their footprint within our Business Parks. The next few quarters remain challenging from a demand perspective, however we will seek opportunities to further build upon our Client relationships, re-energise our Parks, focus on health and safety, and partner our Clients for their business and growth needs."

### **Investor Communication and Quarterly Investor Call Details**

MindSpace REIT has disclosed following information pertaining to the financial results and business performance (i) interim condensed standalone and consolidated financial statements for the quarter and half year ended 30 September 2020 (*The consolidated financial results include financial results of Asset SPVs for cumulative two month period from 01 August 2020 to 30 September 2020*) and (ii) an earnings presentation covering Q2 and H1 FY2021 results. All these documents are available on Mindspace REIT's website at <https://www.mindspacereit.com/investor-relations/financial-updates/#ir>

MindSpace REIT is also hosting an earnings conference call on November 12, 2020 at 16:00 hours Indian Standard Time to discuss the Q2 and H1 FY2021 results. A replay of the call will be available till 12 December 2020 on Mindspace REIT's website at [https://www.mindspacereit.com/investor\\_relations/presentations/#ir](https://www.mindspacereit.com/investor_relations/presentations/#ir)

### **Disclaimer**

This press release ("**Press Release**") (a) is for information purpose only without regards to specific objectives, financial situations or needs of any particular person, (b) comprises information given in summary form and neither purports to be complete nor guarantees that such information is true and accurate, (c) should not be considered as a recommendation to any person to purchase / subscribe to any units, debentures, bonds or any other securities / instruments issued or proposed to be issued by Mindspace REIT (d) does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for, or advertisement with respect to, the purchase or sale of any units, debentures, bonds or any other securities / instruments of Mindspace REIT in any jurisdiction.

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estimate of the management of Mindspace REIT, which may be dependent on several factors and in no manner should be construed as an indication of its reflection in the market price of units or any other securities / instruments issued or proposed to be issued by Mindspace REIT. No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that any objectives specified herein will be achieved. None of Mindspace REIT, or its manager viz. K Raheja Corp Investment Managers LLP, or any of our affiliates or advisors, as such, (a) make any representation or warranty, express or implied, as to, and/or accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein, (b) accept any liability whatsoever for any loss, howsoever, arising from any use or reliance on this Press Release or (c) assume responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results.

This Press Release has not been and will not be reviewed or approved by a regulatory authority in India or elsewhere or by any stock exchange in India or elsewhere and any prospective investor investing in units/debentures or other securities / instruments of Mindspace REIT should consult its own advisors before taking any decision in relation thereto.

#### **About Mindspace Business Parks REIT**

*Mindspace Business Parks REIT sponsored by K Raheja Corp Group, listed on the NSE and BSE on 07 August 2020. The REIT owns quality office portfolios located in four key office markets of India, namely Mumbai Region, Pune, Hyderabad and Chennai. It has a total leasable area of 29.5 msf, with superior infrastructure and amenities, and is one of the largest Grade-A office portfolios in India. The portfolio consists of 5 integrated business parks and 5 quality independent office assets. It has a diversified and high-quality tenant base, with 165+ tenant as of 30 September 2020.*

*The assets provide a community-based ecosystem and have been developed to meet the evolving standards of tenants, and the demands of 'new age businesses', making it amongst the preferred options for both multinational and domestic corporations. To know more visit [www.mindspacereit.com](http://www.mindspacereit.com)*

#### **For further details please contact:**

<b>Investor Relations</b>	<b>Corporate Communications</b>
Deepak Aswani <a href="mailto:ir@mindspacereit.com">ir@mindspacereit.com</a>	Cheryl Waldiya <a href="mailto:mediarelations@mindspacereit.com">mediarelations@mindspacereit.com</a> Phone: 9322198940



**MindSpace Business Parks REIT**  
Q2 & H1 FY 2021 Results Presentation  
*11 November 2020*

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# Table of Contents

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Key Highlights	04
COVID 19 Preparedness	09
Portfolio Overview	12
Projects Update	21
Financial Update	28
Price Performance & Unitholding	31
Market Overview	34
Annexures	39

Note:

1. All operating and financial data in the Presentation is as of 30 September 2020, unless otherwise stated
2. All the financial numbers in the Presentation have been rounded off to the nearest million unless otherwise stated
3. Mindspace Business Parks REIT is referred to as Mindspace REIT in the Presentation



## Key Highlights



# Performance for H1 FY 2021

## Leasing



- Gross Leasing of **1.0** msf at an average rent of INR **70** psf/month
- Collections of more than **99%** of Gross Contracted Rentals<sup>(1)(2)</sup>
- Re-leasing spread<sup>(3)</sup> of **33.1%** on **0.6** msf Re-leased during half year
- Same Store Committed Occupancy of **94.7%** (Sep 20 vs Sep 19, on 19.9 msf completed area in Sep 19)

## Financial



- **NOI** for H1 FY 2021 at INR **6,584** Mn, performance in line with projections
- Raised INR **5,000** Mn via debentures at **6.8%** p.a.<sup>(4)</sup> (CRISIL PP-MLD AAAR/Stable)
- Weighted average cost of debt reduced from **9.2%** in March 2020 to **8.1%**<sup>(5)</sup> in September 2020
- Net Debt to Market Value remains low at **13.6%**<sup>(6)</sup>
- NAV as of 30 September 2020 - INR **338.41** p.u. vs 31 March 2020 – INR **326.09** p.u.

## Operations & Projects



- **Resumed** construction activity for **1.7** msf ongoing on campus development projects
- Upgrade activities across projects **on track**
- Commenced Facility Management Division under the brand name '**Campus**' from 01 October 2020
- Received COVID 19 Preparedness assurance statement from **British Safety Council**
- Mindspace REIT became the first real estate entity from India to join the **EV100 initiative**

1. Gross Contracted Rentals is the sum of Base Rentals and fit-out rent invoiced from Occupied Area that is expected to be received from the tenants pursuant to the agreements entered into with them  
2. Collections as of 31 October 2020  
3. Re-leasing spread includes spread on extensions and vacant area

4. Market Linked Debentures (MLDs) - G-Sec linked subject to terms and conditions mentioned in the Information Memorandum  
5. Post utilization of MLD proceeds in October 2020  
6. Net Debt and Market Value as of 30 September 2020

# Quality Portfolio with Attractive In-Place Rent Backed by Strong Tenant Base

1.04 msf leases signed across 17 tenants in H1 despite Covid-19 disruptions, includes 0.48 msf of new leases around Market Rent and 0.56 msf<sup>(1)</sup> Re-leased at 33.1% Re-leasing spread

**1.04 msf**  
Gross Leasing

**INR 70 psf/month**  
Average Rent for Area Leased

**33.1%**  
Average Re-leasing Spread

Area Re-leased / extended <sup>(2)</sup>

**0.50 msf**

New area leasing

**0.48 msf**

Vacant area leasing

**0.05 msf**

WALE on new leases

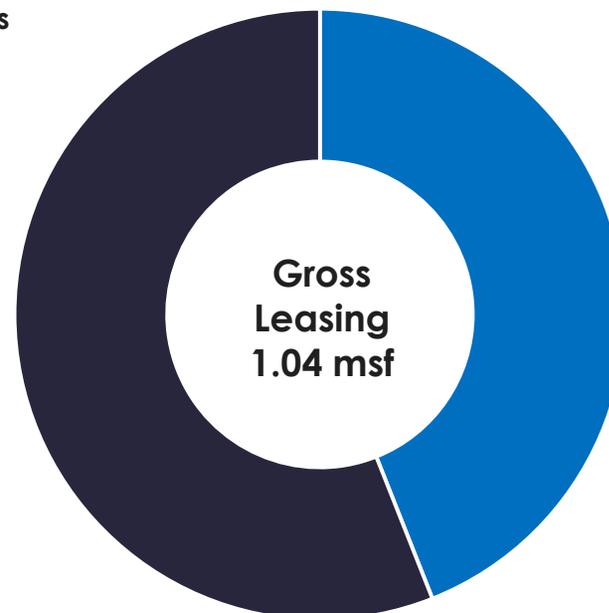
**10 years**

## H1 FY 2021 – New area & Vacant area leasing

Assets	Location	Tenants	Leased (sf)
Commerzone Kharadi	Pune	BP Global	168,000
Commerzone Kharadi	Pune	Mindcrest	112,000
Mindspace Madhapur	Hyderabad	Mindtree	90,544
Mindspace Madhapur	Hyderabad	Model N	69,945
Mindspace Madhapur	Hyderabad	Verizon	46,280
Commerzone Porur	Chennai	NPCI	42,567
Mindspace Madhapur	Hyderabad	RealPage	6,285
<b>Total</b>			<b>535,621</b>

## H1 FY 2021 - Split basis type of tenants

Leased to existing tenants  
56%



Key tenants added

**BP Global**

**Mindcrest**

**NPCI**

**Model N**

**Mindtree**

Note: All leasing numbers include LOIs signed

1. Includes leasing of vacant area as on 31 March 2020

2. Includes leasing of early termination areas; extensions granted for expiring leases; Re-leasing of contractual expiries

## Delivered Sustainable Financial Performance

Performance driven by pro-active lease and revenue management, cost efficiencies and operating parks with high standards of health and safety

	Revenue from Operations <sup>(1)</sup> (INR Mn)	NOI (INR Mn)
Q1 FY 2021	3,845	3,218
Q2 FY 2021	4,010	3,366
H1 FY 2021	7,855	6,584
FY 2020	15,501	12,257

### Key points:

- NOI growth from Q1 FY 2021 to Q2 FY 2021: 4.6%
- NOI growth in H1 FY2021 over FY 2020 on annualised terms<sup>(2)</sup>: 7.4%
- NOI performance driven by healthy collections & cost optimization
- Maintained over 80% NOI margin

Note:

1. Excludes revenue from works contract services in Gera, Commerzone Kharadi
2. Annualized FY 2021 NOI = 2x H1 FY 2021 NOI

# De-risked Portfolio with 94% Completed Assets

## Statement of Net Assets at Fair Value:

(INR Mn)

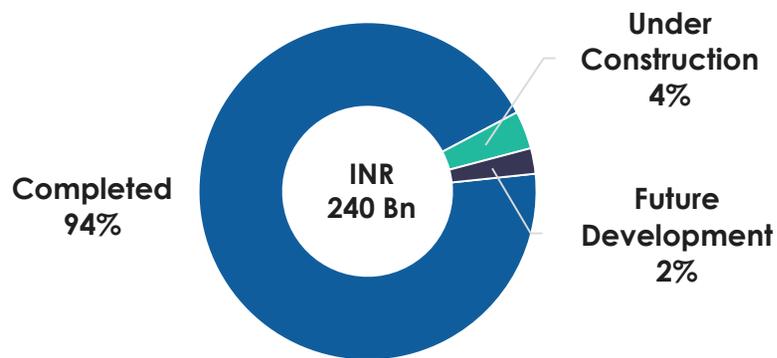
Sr. No	Particulars	30 Sep 2020
A	Fair Value of Real Estate Assets <sup>(1)</sup>	240,080
B	Other Assets at Book Value	9,290
C	Other Liabilities at Book Value	48,685
D	Net Assets Value(A+B-C)	200,685
E	No. of Units (Mn)	593
<b>NAV</b>		<b>INR 338.41 p.u.</b>

## Movement of NAV

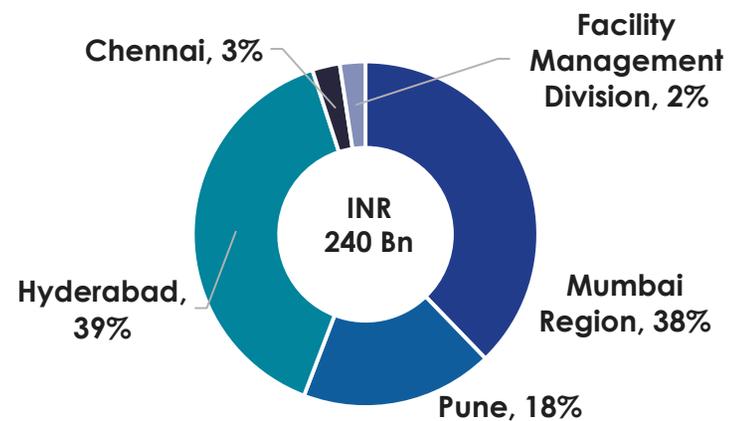
(INR p.u.)



## Completed Assets form 94% of the Market Value<sup>(1)</sup>



## Breakup of Market Value basis geography<sup>(1)</sup>



Note:

1. Includes Real Estate & Facility Management Division
2. On post money basis and includes Facility Management Division



## COVID 19 Preparedness



# Strong Commitment to Provide a Safe Working Environment for Our Tenants

British Safety Council's COVID 19 Assurance Statement - Testimony to Our Efforts

Awarded on the basis of 5 operational parameters

Ensured the parks and buildings are kept operational 24X7

Over night stay arrangements for select on roll and support staff

Constant communication with clients with updates on measures implemented



MindSpace Business Parks REIT has always been committed to provide a safe and healthy workplace and has ensured only the best practices are followed especially during these trying times. Our efforts have been recognised by the internationally renowned British Safety Council with the COVID - 19 Assurance Statements issued to our projects, namely:

**MindSpace Airoli West | MindSpace Airoli East**  
**MindSpace Hyderabad | Commerzone Pune**  
**The Square, Pune | Paradigm, Malad**

The assurance statement was awarded on the basis of:

**Risk Management & Organisational Context | Operational Processes & Risk Assessment**  
**Health & Wellbeing | Stakeholder Engagement | Facilities & Workplace Adjustments**

We have always strived for safe work environment and the validation from British Safety Council is a another big step towards our commitment.

# Mindspace's Assurance to Return to Work Safely

Comprehensive set of protocols in response to Covid 19

<p><b>A</b> </p> <p><b>Social Distancing</b></p> <ul style="list-style-type: none"><li>• Working with optimized staff</li><li>• Social distancing demarcation &amp; signage</li><li>• Discouraging social gatherings</li></ul>	<p><b>B</b> </p> <p><b>Screening and Monitoring</b></p> <ul style="list-style-type: none"><li>• Usage of Aarogya Setu / Mindspace app</li><li>• Screening and self declaration of staff</li><li>• Thermal scanning / scanning with IR thermometers</li></ul>	<p><b>C</b> </p> <p><b>Disinfection and Sanitization</b></p> <ul style="list-style-type: none"><li>• Auto sanitizer dispensers at lobbies and entrances</li><li>• Sanitization mats at entrance</li></ul>	<p><b>D</b> </p> <p><b>Containment &amp; Emergency Measures</b></p> <ul style="list-style-type: none"><li>• Paramedic, Ambulance and Helpdesk facility</li><li>• Isolation areas</li></ul>	<p><b>E</b> </p> <p><b>Advance Technology and Prevention</b></p> <ul style="list-style-type: none"><li>• UV towers for disinfection</li><li>• Elevator touch less operation</li><li>• Installation of UV in AHU <sup>(1)</sup> in progress</li><li>• Installation of MERV8/13 filter</li></ul>
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Note:

1. AHU – Air Handling UNit

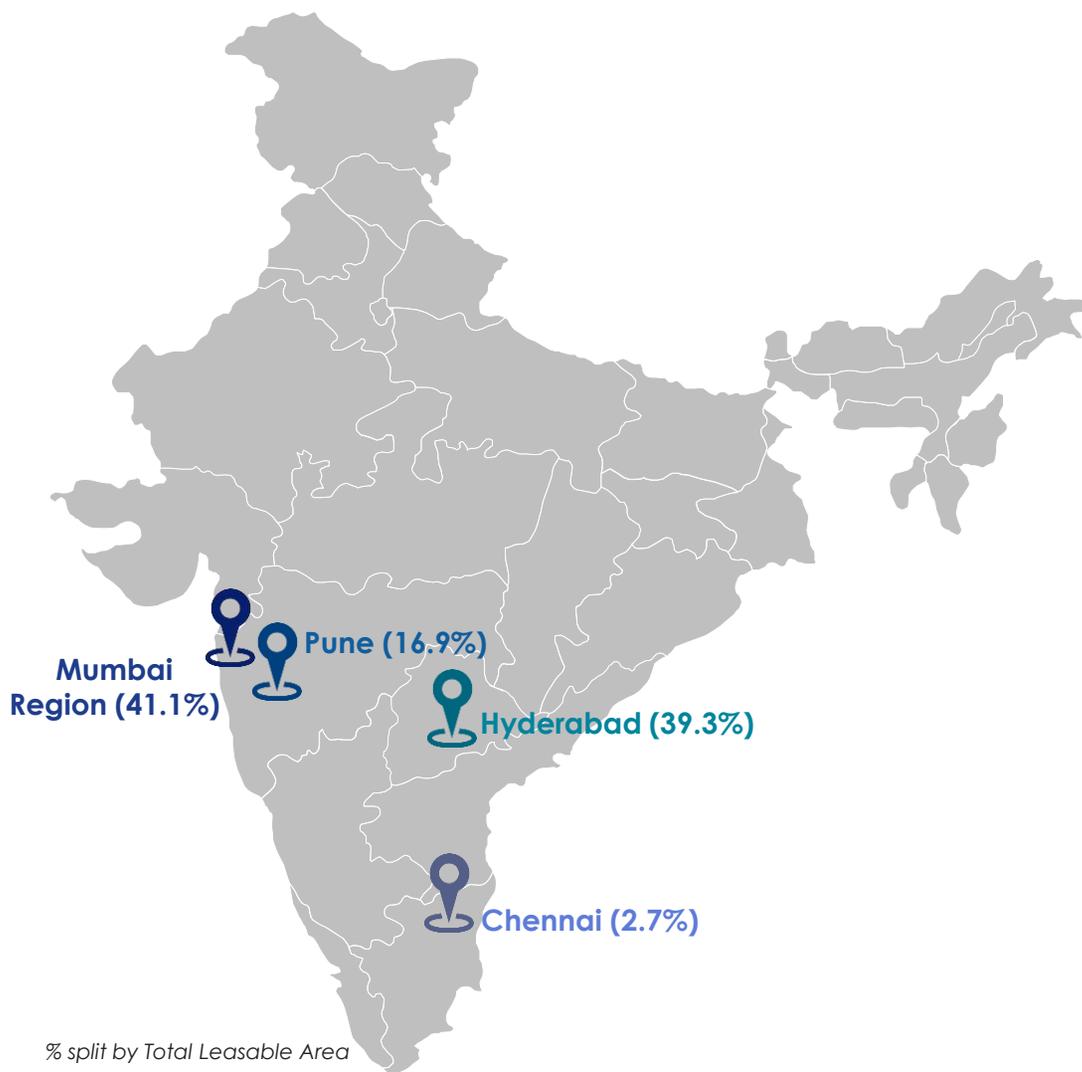


## Portfolio Overview



# Portfolio Overview

Mindspace REIT is one of the largest Grade-A office portfolios in India



**29.5** msf  
Total Leasable Area<sup>(1)</sup>

INR **54.4** psf  
In-place Rent

**94.7%**  
Same Store Committed  
Occupancy  
(Sep 20 vs Sep 19)

**88.9%**  
Committed Occupancy

**16.9%**  
Mark to Market Potential<sup>(2)</sup>

**5.6** years  
WALE

**94%**  
Market Value of Completed  
Area

**13.6%**  
Net Debt to Market Value<sup>(3)</sup>

1. Comprises of 23.9 msf Completed Area, 2.0 msf of Under-Construction area and 3.6 msf Future Development Area  
2. Market Rent of INR 63.6 psf considered for calculating MTM and basis management's estimates  
3. Net Debt and Market Value as of 30 September 2020

# Five Integrated Business Parks

**Mindspace Madhapur**  
Hyderabad | 10.6 msf



**Completed Area: 10.0 msf; Committed Occupancy: 95.3%**

**Mindspace Airoli East**  
Mumbai Region | 6.8 msf



**Completed Area: 4.7 msf; Committed Occupancy: 96.5%**

**Mindspace Airoli West**  
Mumbai Region | 4.5 msf



**Completed Area: 3.5 msf;  
Committed Occupancy: 72.3%**

**Gera Commerzone Kharadi**  
Pune | 2.6 msf <sup>(1)</sup>



**Completed Area: 1.3 msf;  
Committed Occupancy: 93.1%**

**Commerzone Yerwada**  
Pune | 1.7 msf <sup>(1)</sup>



**Completed Area: 1.7 msf;  
Committed Occupancy: 99.9%**

Note: Above areas include Under-Construction Area and Future Development Area  
1. Total Leasable Area for these assets comprises only Asset SPVs' share of the area

# Five Quality Independent Office Assets

**Commerzone Porur  
Chennai | 0.8 msf <sup>(1)</sup>**



**Completed Area: 0.8 msf; Completed in Jun 20**

**Paradigm, Mindspace Malad  
Mumbai Region | 0.7 msf**



**Completed Area: 0.7 msf; Committed Occupancy: 93.8%**

**The Square, BKC  
Mumbai Region | 0.1 msf**



**Completed Area: 0.1 msf;  
Refurbishment under process**

**The Square, Nagar Road  
Pune | 0.7 msf**



**Completed Area: 0.7 msf;  
Committed Occupancy: 100%**

**Mindspace Pocharam  
Hyderabad | 1.0 msf**



**Completed Area: 0.4 msf;  
Committed Occupancy: 92.4%**

Note: Above areas include Under-Construction Area and Future Development Area  
1. Total Leasable Area for these assets comprises only Asset SPVs' share of the area

# Marquee Tenant Base

Leading MNCs and Fortune 500 companies across sectors

## Technology

Accenture Wipro  
Facebook Verizon  
Here Solutions

## Financial Services

Fiserv Barclays  
UBS BNY Mellon  
Bank of America

## Diversified

Amazon Qualcomm  
Worley Parson  
Schlumberger

83.8%

40.7%

37.9%

Share of foreign MNCs in  
rentals <sup>(1)</sup>

Share of top 10 tenants in  
rentals <sup>(1)</sup>

Share of Fortune 500  
companies in rentals <sup>(1)(2)</sup>

Note :

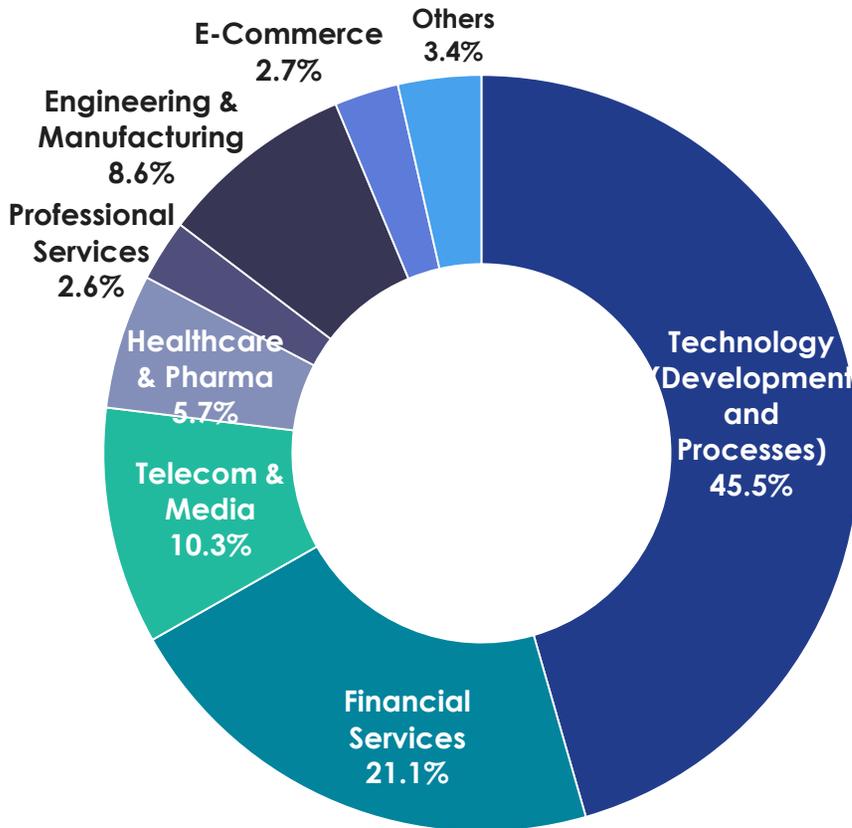
1. Represents % of Gross Contracted Rentals as on 30 September 2020
2. Fortune 500 Global List of 2020

# Diversified Portfolio of Marquee Tenants

## Top 10 tenants contributing 40.7% of Gross Contracted Rentals

### Diversified tenant mix across sectors

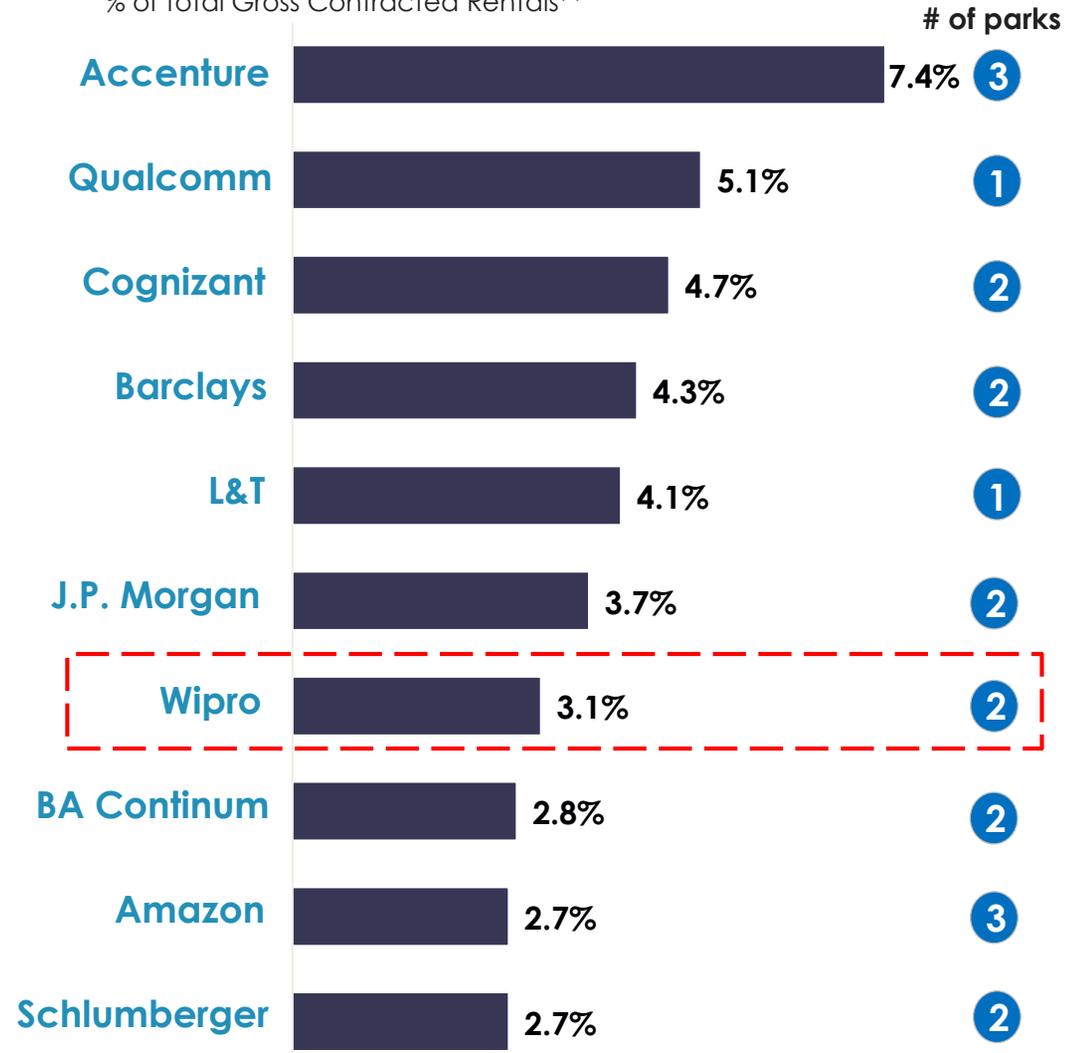
% split by Gross Contracted Rentals<sup>(1)</sup>



0.9% Gross Contracted Rentals from industries severely impacted by Covid 19<sup>(2)</sup>

### Top 10 tenants Gross Contracted Rentals contribution (40.7%)

% of total Gross Contracted Rentals<sup>(1)</sup>



New entrant to top 10 on incremental leasing of 0.2 msf

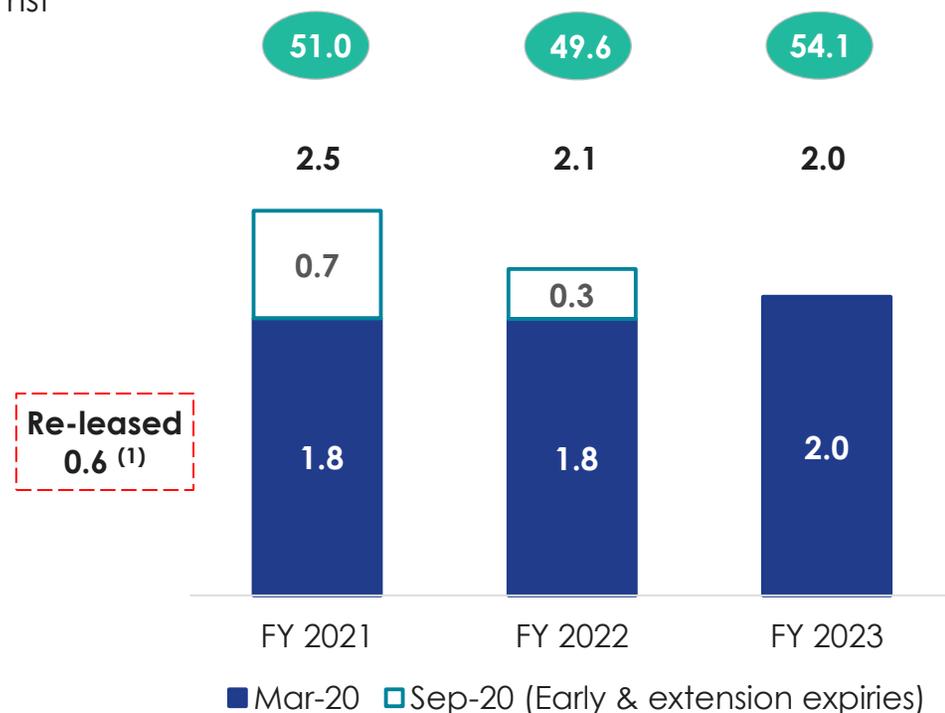
Note:  
 1. Basis Gross Contracted Rentals as on 30 September 2020  
 2. Severely impacted industries include education, entertainment and events, food and beverage, co-working and hospitality

# Well Spread Lease Expiry Profile with Significant MTM Potential

Active discussions on with existing and new tenants for Re-leasing / renewal

**Tenant uncertainty over future lease commitments likely to persist for few quarters**

Area expiry – YoY  
msf

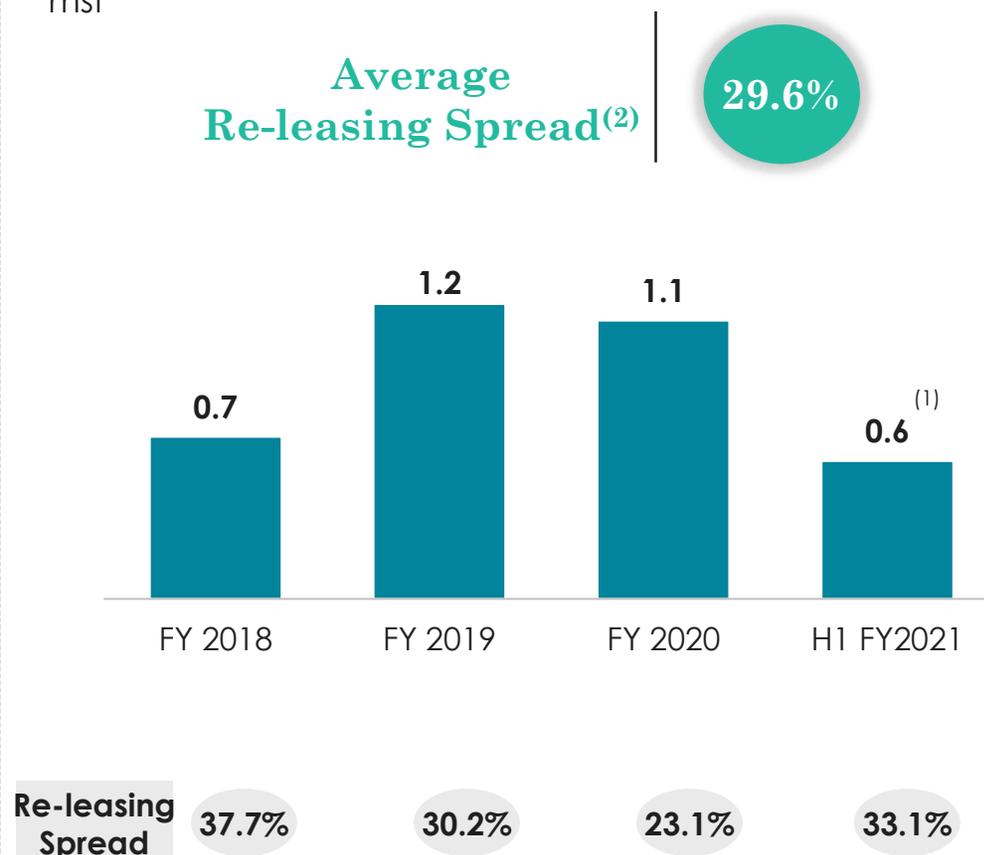


Expiries (%) <sup>(3)</sup>	10.5%	8.8%	8.2%
MTM opportunity	27.0%	28.4%	32.1%

● Rent at expiry (INR psf/month)

**Track record of achieving Re-leasing spread across parks**

Area Re-leased (since Apr 17)  
msf



Note:

1. Includes leasing of vacant area as on 31 March 2020

2. Re-leasing spread calculation includes spread on extensions and vacant area

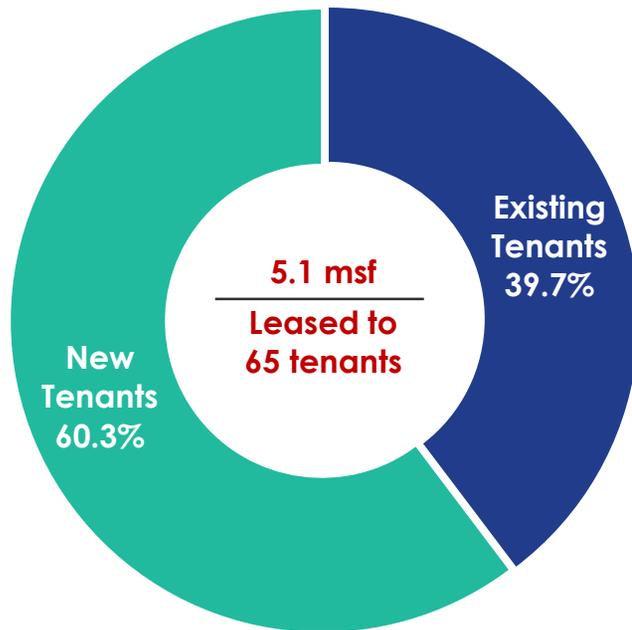
3. Basis Completed Area as of 30 September 2020

# Ability to Attract New Tenants along with Continued Tenant Retention

8.6 msf leased since April 17, including 3.5 msf at 29.6% Re-leasing spread

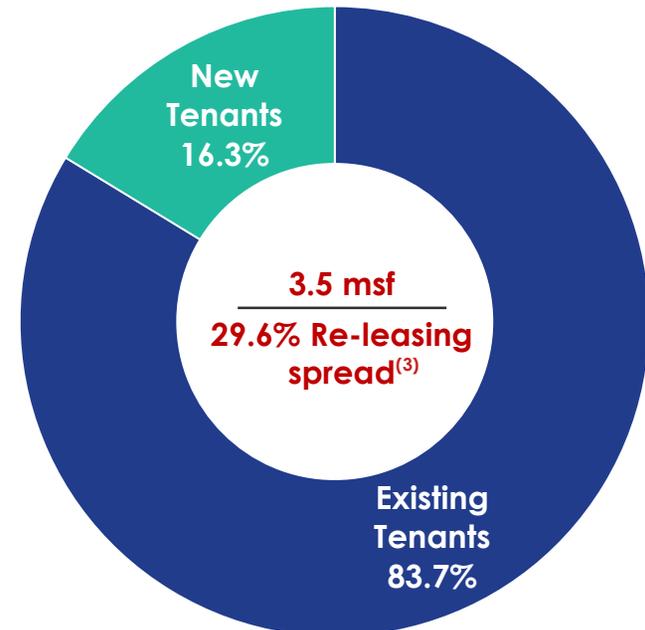
## New Area leased

% split by area <sup>(1)</sup>



## Existing Area Re-leased / Vacant Area leasing

% split by area <sup>(2) (3)</sup>



New Tenants Added	Mindcrest	Model N	Fiserv
BP Global	Allstate	NPCI	Barclays

IDFC First	BNY Mellon	IBM	Existing Tenants
J.P Morgan	Qualcomm	Verizon	

Note:

1. For the period April 2017 – September 2020; Includes Committed Area and Pre-leased Area

2. For the period April 2017 – September 2020; Includes Committed Area

3. Not inclusive of the area remaining vacant at expiry

# Focus On Sustainability and Safety

## Sustainable Development



- First real estate entity from India to join the EV100 initiative
- Committed to transitioning to 100% electric mobility by 2030

“Most Environment-Friendly Commercial Space (WEST ZONE)”  
MindSPACE Airoli West



100% of the green buildings are Gold or Platinum Rated

Won various green initiatives awards at several prestigious forums

## High Safety and Quality Standards



### 2019

- Awarded Five Star rating across 4 parks

### 2020

- COVID 19 Assurance Statement for 6 parks



Seal Environmental initiative award for Best Sustainable practices in 2019

Received certification for MindSPACE Airoli (East)

Note:

1. Includes 3 pre-certified buildings with a Total Leasable Area of 2.0 msf



## Projects Update



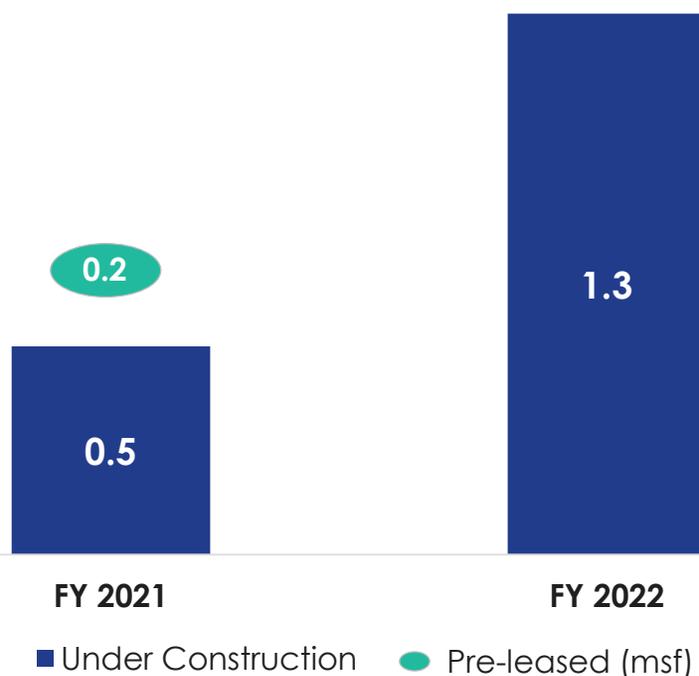
# Construction Activity back on Track after a Brief Pause

Under-construction assets to contribute to NOI growth

## Development Pipeline

msf

**1.8** msf  
to be completed by FY 2022



Completion of part building (0.63 msf) at Airoli (W) extended by a quarter to Q1 FY 2022 due to unavailability of labor during lockdown, coinciding with demand moderation

Resumed construction activity for 1.7 msf ongoing on campus development projects

Workforce strength gradually increasing and stands at over 75% of pre-COVID strength

Health and safety measures & protocols in place to provide workers with a safe environment to work

Work on re-energizing parks in progress to give the tenant workforce a vibrant ecosystem

Balance capex on ongoing projects, recently completed projects and upgrades – INR 11,839 Mn<sup>(1)</sup>

Note:

1. Includes ongoing projects INR 5,833 Mn, recently completed projects INR 1,897 Mn, upgrades – INR 3,310 Mn and fit-out / general development – INR 799 Mn. Further, balance capex has been revised upwards by c. INR 400 Mn mainly on account of tenant fit outs

# Development Progress

## Hyderabad



### Mindspace Madhapur (B22)

- Leasable area: 0.1 msf
- Status: RCC completed, Finishes WIP
- Estimated completion : Q4 FY21
- Balance cost: INR 142 Mn
- Pre-leased to Chalet Hotels
- Rent shall commence from 01 October 2021

## Mumbai Region



### Mindspace Airoli, West (B9)

- Leasable area: 1.0 msf
- Status: RCC & Façade WIP
- Estimated completion:
  - 0.40 msf – Q4 FY21 &
  - 0.63 msf – Q1 FY22
- Balance cost: INR 1,684 Mn
- SEZ de-notification awaited
- Pre-leased: 46k sf

## Pune

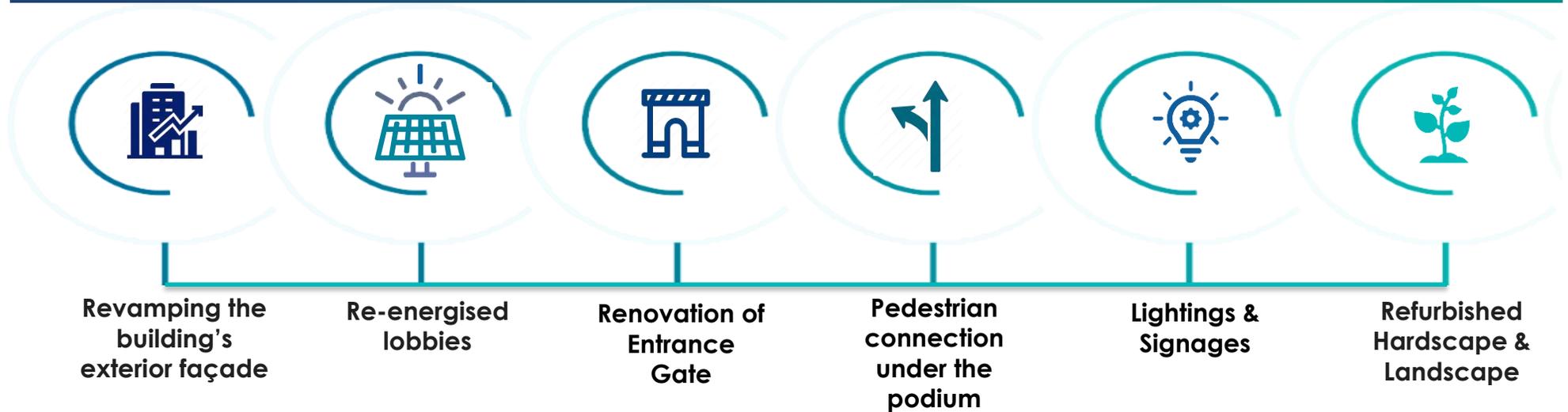


### Commerzone Kharadi (B5)

- Leasable area: 0.7 msf
- Status: 1<sup>st</sup> office floor shuttering WIP
- Estimated completion : Q3 FY22
- Balance cost: INR 2,149 Mn
- Awarded IGBC Gold Pre-Certification
- Active on-going discussions on pre-leasing

# Mindspace Airoli East, Mumbai Region - Upgrade (1/2)

Re-energising the park with building and infra upgrades



Before

Façade of old building



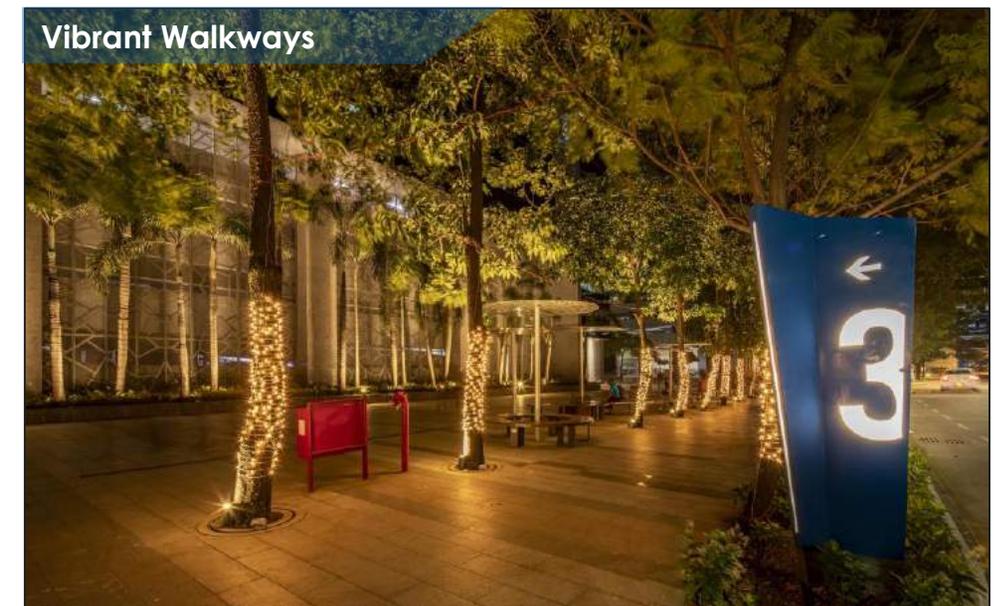
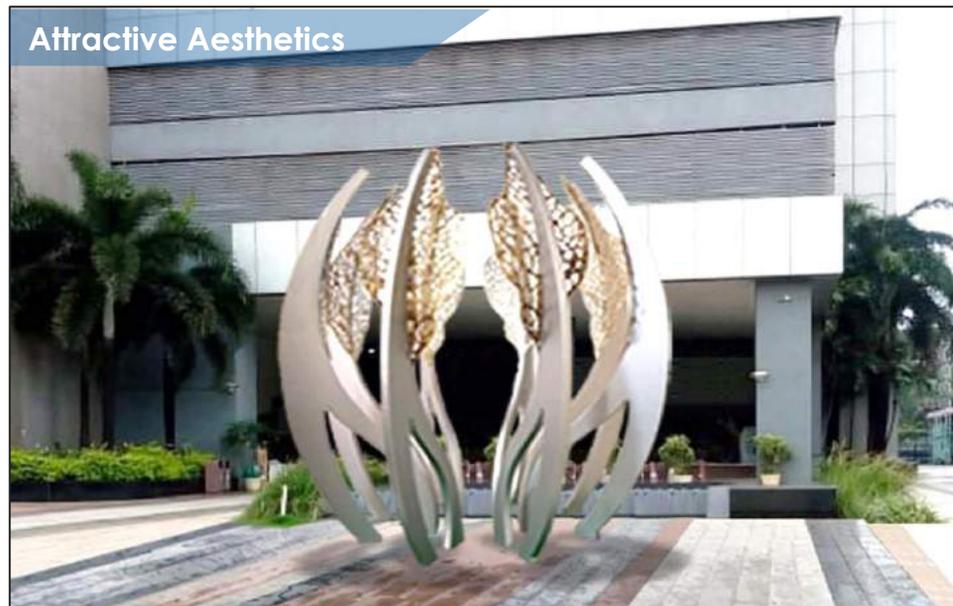
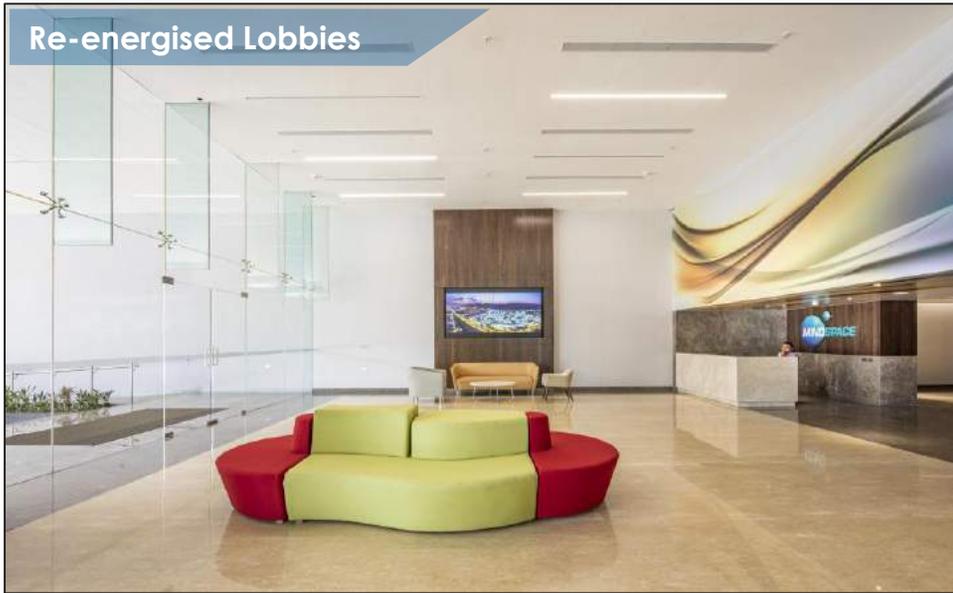
After

Current



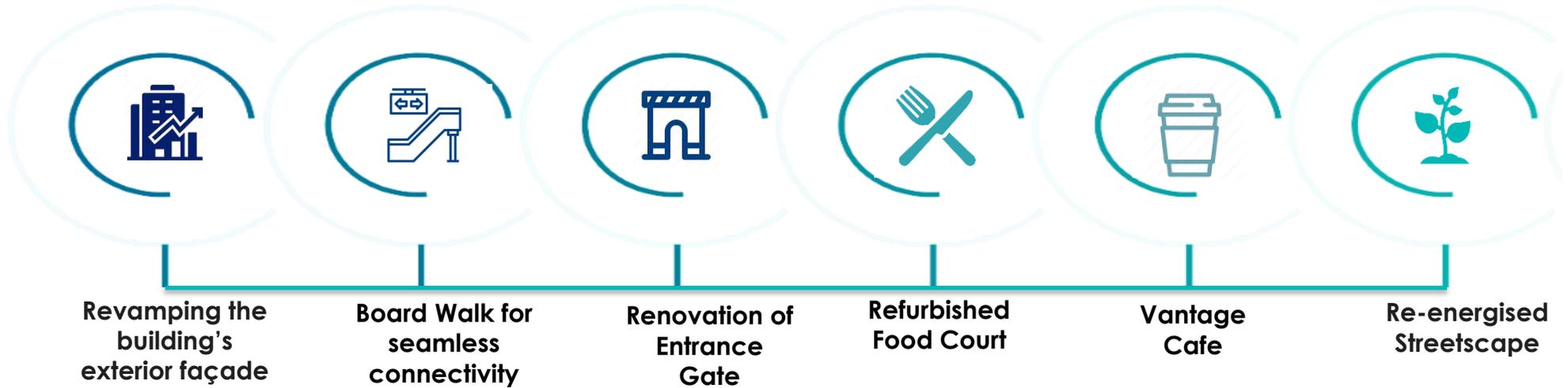
# Mindspace Airoli East, Mumbai Region - Upgrade (2/2)

Utilising Covid-19 downtime efficiently to create a “WOW” factor



# Mindspace Madhapur, Hyderabad - Upgrade (1/2)

Integrated “Business Ecosystem” with various on-site facilities and amenities



## Current Status

### Appealing Entry Points



## Final Intent

### Perspective



# Mindspace Madhapur, Hyderabad - Upgrade (2/2)

## Current Status

Elevated Boardwalks for Ease of Movement



## Final Intent

Perspective



Well Spread F&B Spaces across the Park



Perspective





## Financial Highlights



# Financial Performance – H1 FY 2021

Stable NOI growth driven by effective cost and revenue management

Assets	Revenue from Operations (INR Mn)			NOI (INR Mn)		
	Q1 FY 2021	Q2 FY 2021	H1 FY 2021	Q1 FY 2021	Q2 FY 2021	H1 FY 2021
Mindspace Airoli (E)	900	887	1,787	717	703	1,420
Mindspace Airoli (W)	508	484	992	420	374	794
Mindspace Malad	194	203	397	169	185	354
<b>Mumbai Region</b>	<b>1,602</b>	<b>1,574</b>	<b>3,176</b>	<b>1,306</b>	<b>1,262</b>	<b>2,568</b>
Gera Commerzone Kharadi	136	252	388	103	225	328
The Square Nagar Road	187	177	364	156	152	308
Commerzone Yerwada	368	379	747	296	315	611
<b>Pune</b>	<b>691</b>	<b>808</b>	<b>1,499</b>	<b>555</b>	<b>692</b>	<b>1,247</b>
Mindspace Madhapur	1,525	1,599	3,124	1,339	1,405	2,744
Mindspace Pocharam	27	29	56	23	24	47
<b>Hyderabad</b>	<b>1,552</b>	<b>1,628</b>	<b>3,180</b>	<b>1,362</b>	<b>1,429</b>	<b>2,791</b>
Others <sup>(1)</sup>	-	-	-	(5)	(17)	(22)
<b>Total</b>	<b>3,845</b>	<b>4,010</b>	<b>7,855</b>	<b>3,218</b>	<b>3,366</b>	<b>6,584</b>

## NOI (Q2 vs Q1) - Reasons for variances

- **Mindspace Airoli East** - Lower due to higher maintenance expense & accounting adjustments, partially compensated by reduction in power expenses
- **Mindspace Airoli West** - Lower due to higher maintenance expense and accounting adjustments
- **Gera Commerzone Kharadi** – Higher due to rent and maintenance income commencement for 0.5 msf
- **Mindspace Madhapur** - Higher due to rent commencement for new area, Re-leasing/extensions, escalations and accounting adjustments
- **Others** – Lower on account of property tax & insurance for recently completed Commerzone Porur

Note:

1. Others include Commerzone Porur recently completed in June 2020 & The Square BKC

# Healthy Balance Sheet to Aid Growth

Debt strategy to embed a blend of short term and long-term debt with a mix of instruments

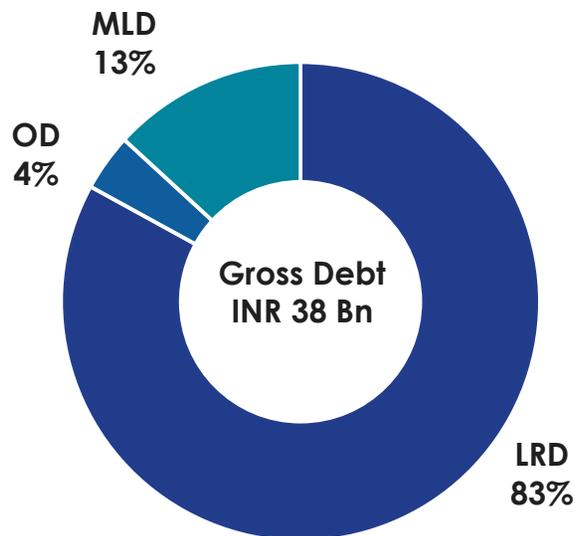
**CRISIL : CCR AAA/Stable<sup>(1)</sup>**  
**ICRA : ICRA AAA (Stable)<sup>(1)</sup>**

**13.6%**  
 Net Debt to  
 Market Value<sup>(2)</sup>

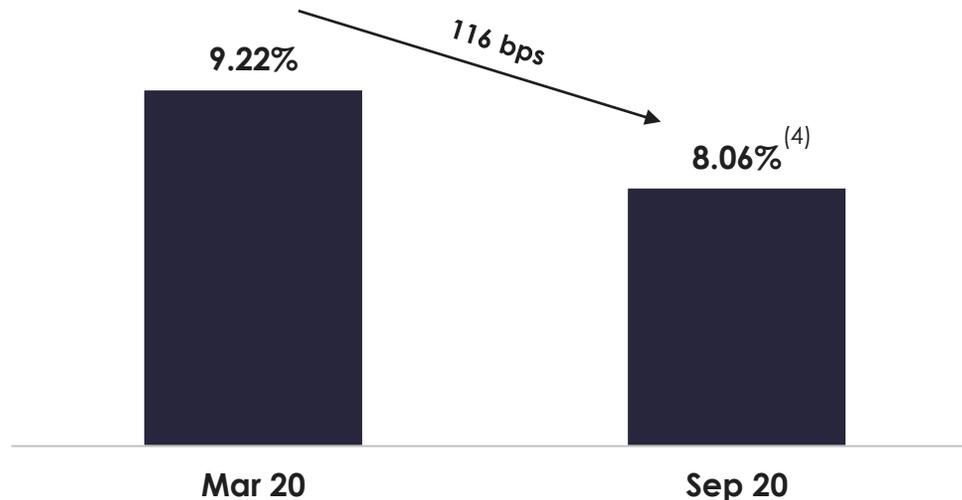
**INR 5.3 Bn**  
 Undrawn Committed  
 Facilities

**INR 33 Bn**  
 Net Debt

## Composition of debt<sup>(3)</sup>



## Reduction in weighted average cost of debt



## Listed NCD Issuance

- **Market Linked Debentures (CRISIL PP-MLD AAAR/Stable) of INR 5.0 Bn at 6.8<sup>(5)</sup>% p.a**
- **Funds utilized to re-finance debt of Asset SPVs**

Note:

1. CRISIL assigned final rating on 18 Aug 2020 & ICRA on 28 Aug 2020
2. Net Debt and Market value as of 30 September 2020
3. OD: Overdraft Facility; LRD: Lease Rental Discounting loans

4. Post utilization of MLD proceeds in October 2020
5. G-Sec linked subject to terms and conditions mentioned in the Information Memorandum

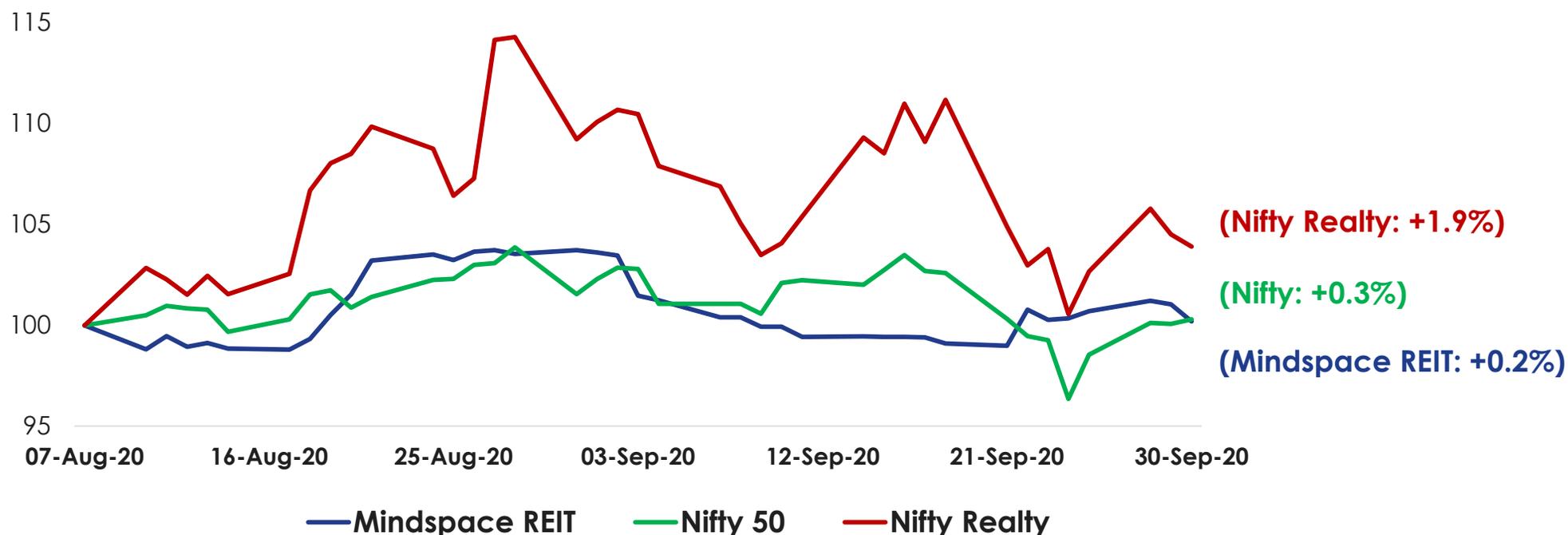


## Price Performance and Unitholding



# Stable Price Performance

## Price movement of Mindspace REIT since listing<sup>(1)</sup>



Offer Price

INR 275 p.u.

Price at listing date

INR 304 p.u.

As on 30 September 2020

INR 304 p.u.

High since listing

INR 317 p.u.

Low since listing

INR 299 p.u.

10.5%

Offer price to Day 1

10.6%

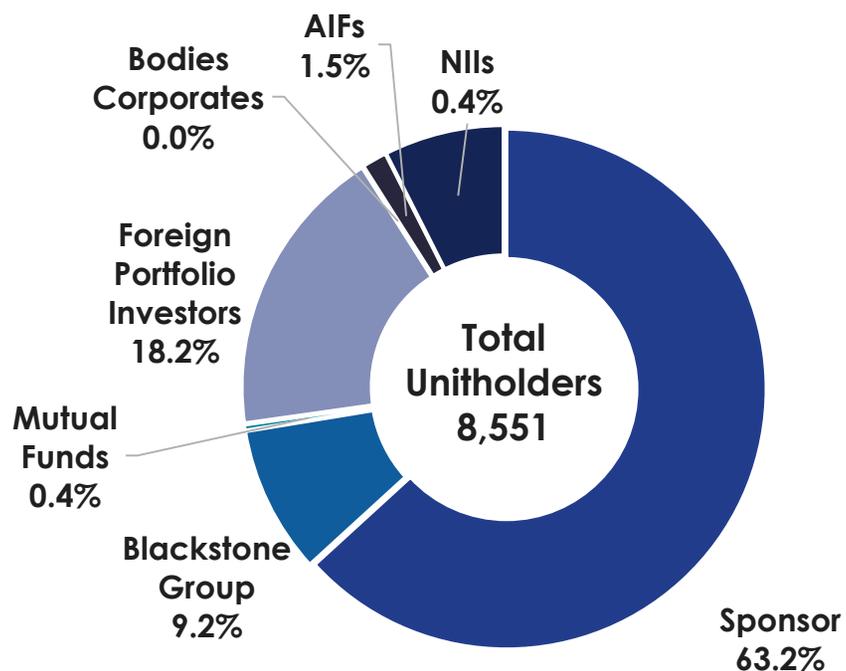
Offer price to 30 September 2020

Note:

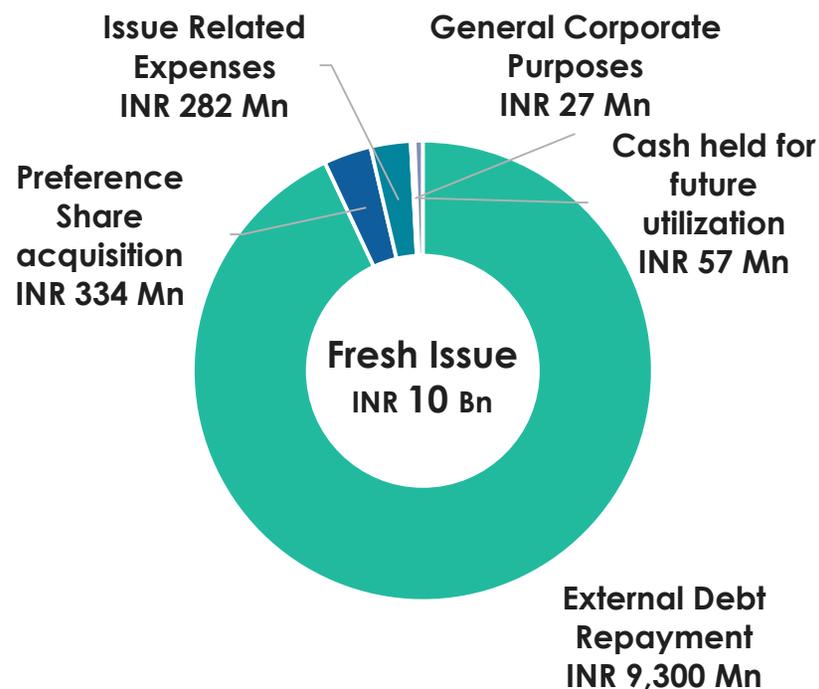
1. Rebased to 100

# Unitholding Summary & Use of Proceeds

## Unit-holder Pattern as on 30 September 2020



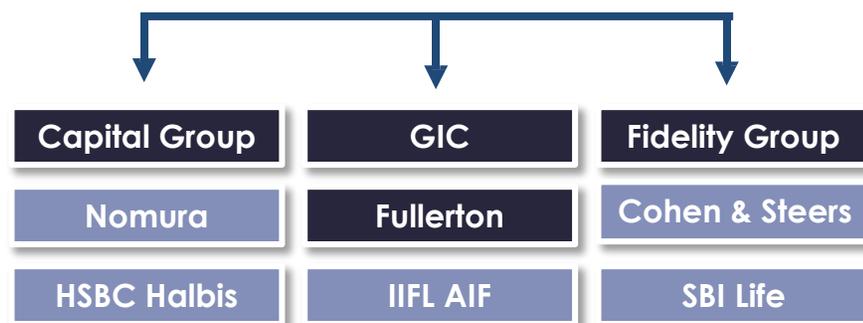
## Use of Proceeds



**Unitholding Summary**  
(593 Mn units)  
(Market Cap : INR 180 Bn) <sup>(1)</sup>



## Strategic and Select Anchor Investors



Note:

- As of 30 September 2020
- Blackstone Group has a lock in of 1 year from the date of listing & Strategic Investors have a lock in of 6 months from date of listing

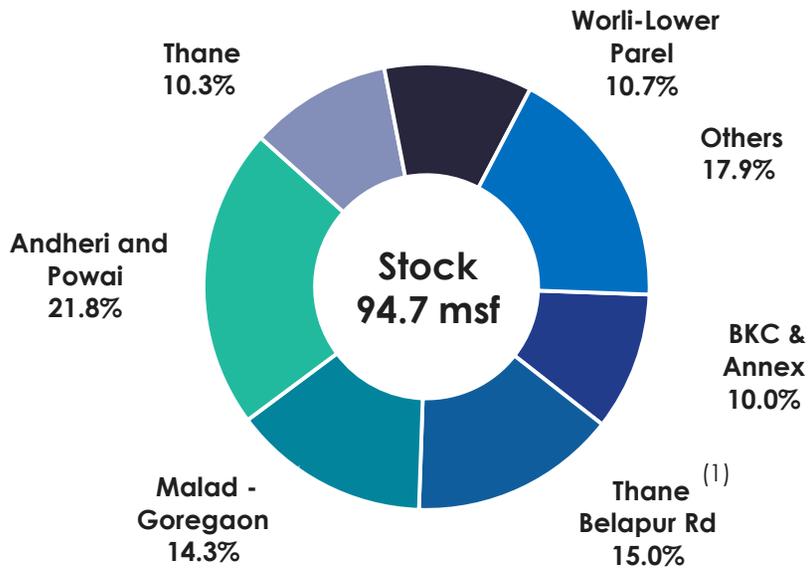


## Market Overview



# Market Update: Mumbai Region

## Grade-A Office Stock September 2020



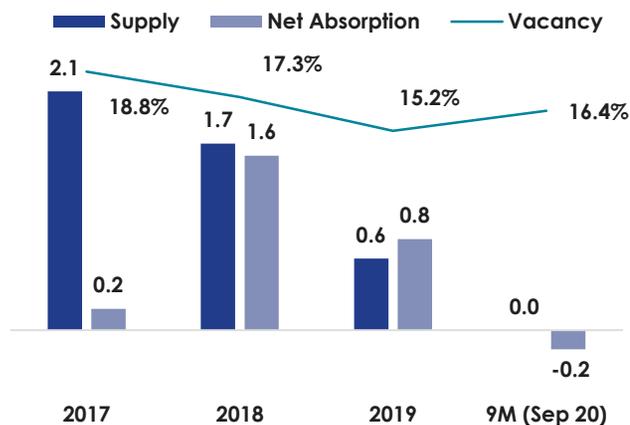
Primarily BFSI and IT-BPM segment tenants

## Highlights

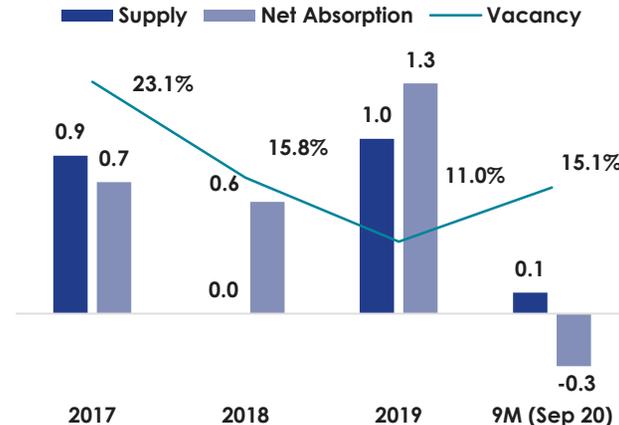
- Fresh leasing expected to be sluggish in near term
- Supply estimated to be delayed by 2- 4 quarters
- Infra initiatives delayed by Covid 19
- Trans harbor sea link & new airport to shift the demand epicenter
- Limited new supply with increasing tenant traction from sectors such as GCC's, BFSI etc.
- Rent levels in our micro-markets have remained stable since 2019

## Supply, net absorption and vacancy trend analysis – Mumbai Region Micro-Markets

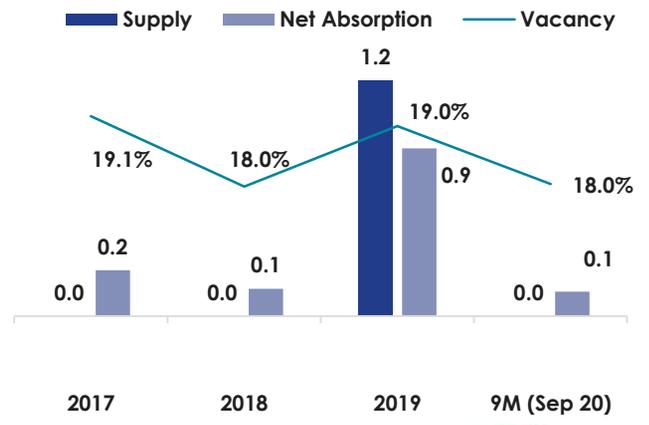
### Thane Belapur Rd



### BKC & Annex



### Malad-Goregaon

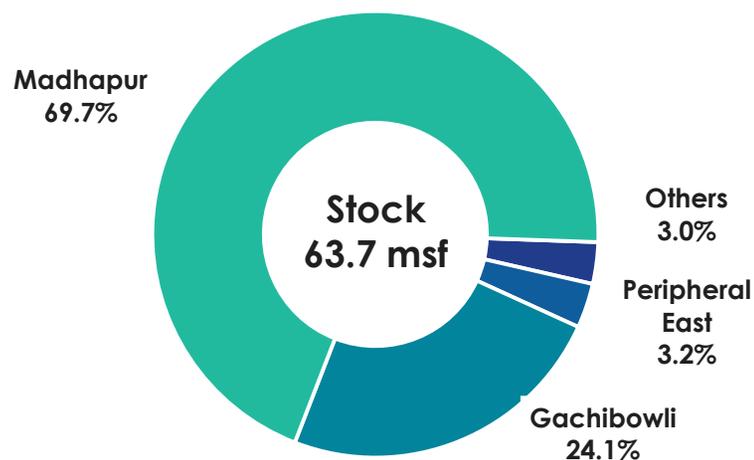


Note – Source: Cushman & Wakefield, supply and net absorption data is in msf

1. Thane Belapur Rd includes Airoli East and Airoli West

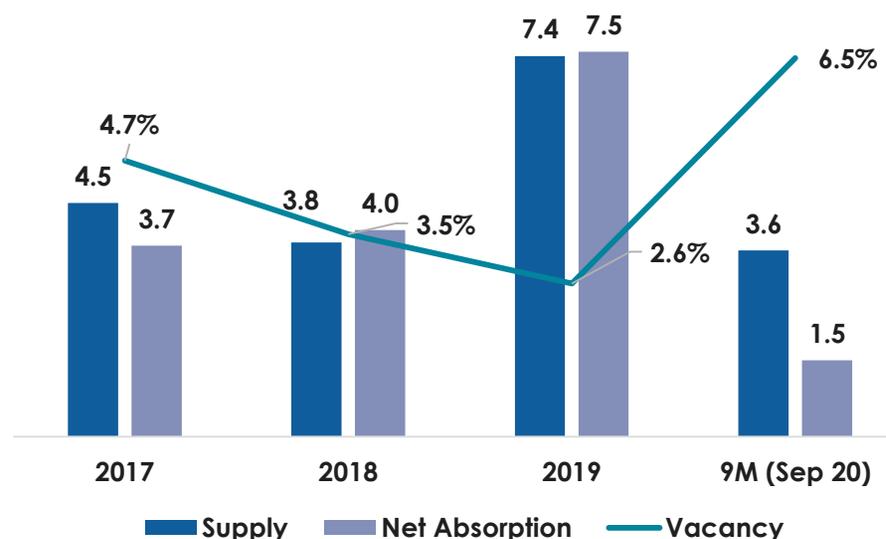
# Market Update: Hyderabad

## Grade-A Office Stock September 2020



### Technology Sector is the Dominant Demand Driver

## Supply, net absorption and vacancy trend analysis Micro-Markets<sup>(1)</sup>: Madhapur



## Highlights

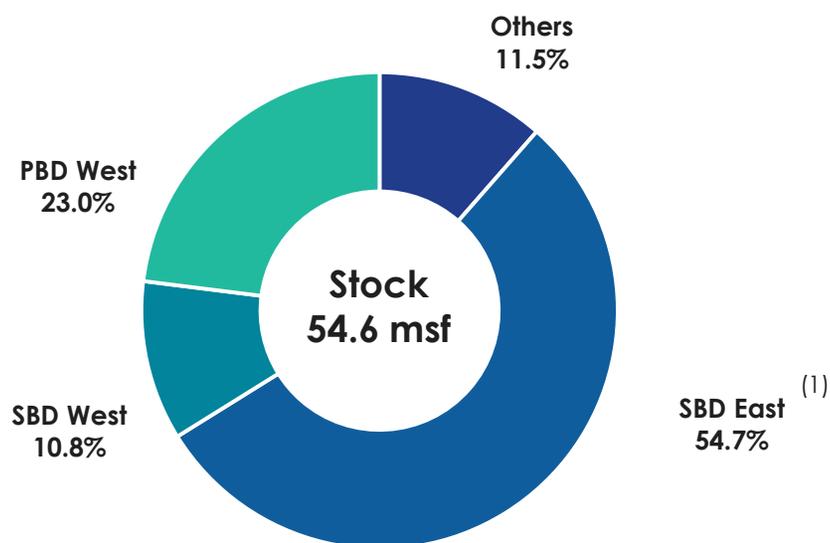
- Supply expected to be delayed coupled with demand suppression for 2- 4 quarters
- Key trends: Madhapur micro-market
  - Steady net absorption till 2022 on the back of strong pre-commitments
  - New supply to take longer to complete
  - Rent levels expected to remain stable over next 4 quarters
  - Recent infrastructural developments such as Durgam Cheruvu bridge to further augment attractiveness

Note – Source: Cushman & Wakefield, supply and net absorption data is in msf

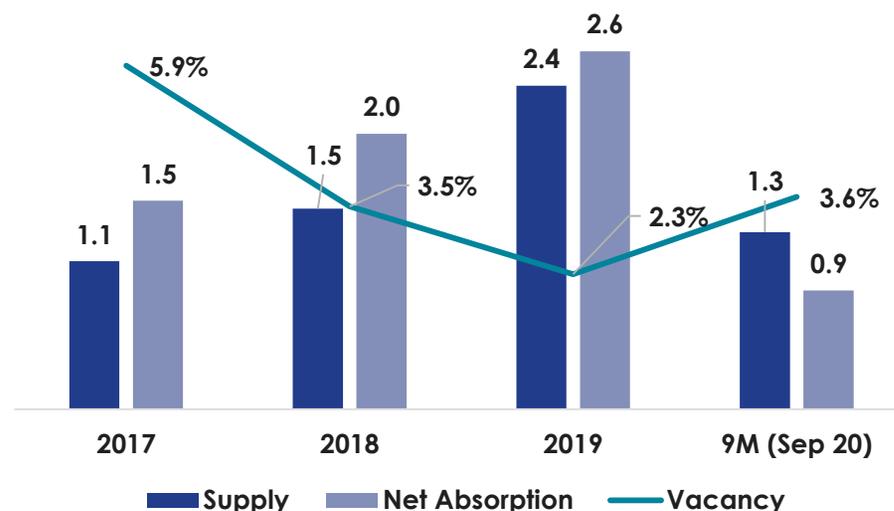
1. Mindspace also owns Mindspace Pocharam - 1.0 msf in the Peripheral East micro-market

# Market Update: Pune

## Grade-A Office Stock September 2020



## Supply, net absorption and vacancy trend analysis Micro-Market: SBD East



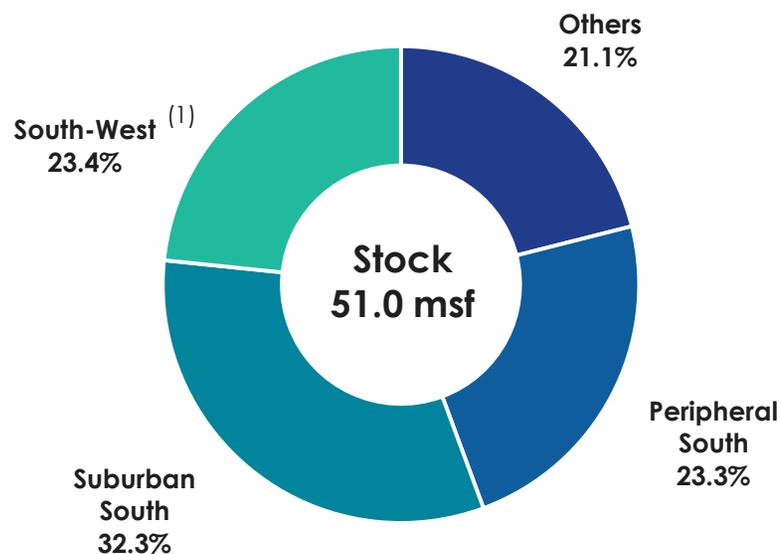
## Technology Sector is the Dominant Demand Driver

### Highlights

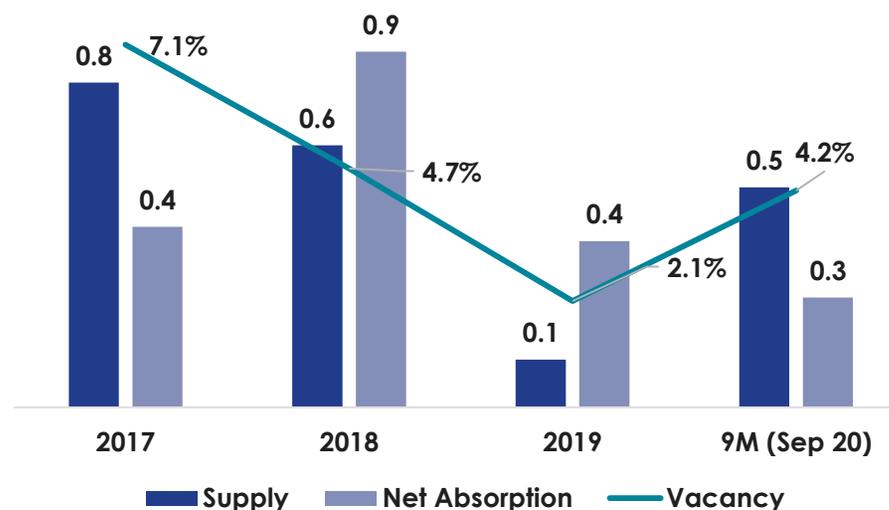
- Supply expected to be delayed; staggered revival of growth in demand
- Rentals to be stable in near future as opposed to past outperformance
- Slightly longer time frame for leasing of available spaces in near term due to temporarily suppressed demand
- Key trends: SBD East micro-market
  - Rent levels in H1 FY20 have remained stable over 2019

# Market Update: Chennai

## Grade-A Office Stock September 2020



## Supply, net absorption and vacancy trend analysis Micro-Market: South-West



## Highlights

- Supply expected to be delayed; staggered revival of growth in demand
- Rentals to remain steady in near future as opposed to past outperformance
- Key trends: South-West micro-market
  - Vacancy expected to increase in 2020 due to recent completions and demand dynamics

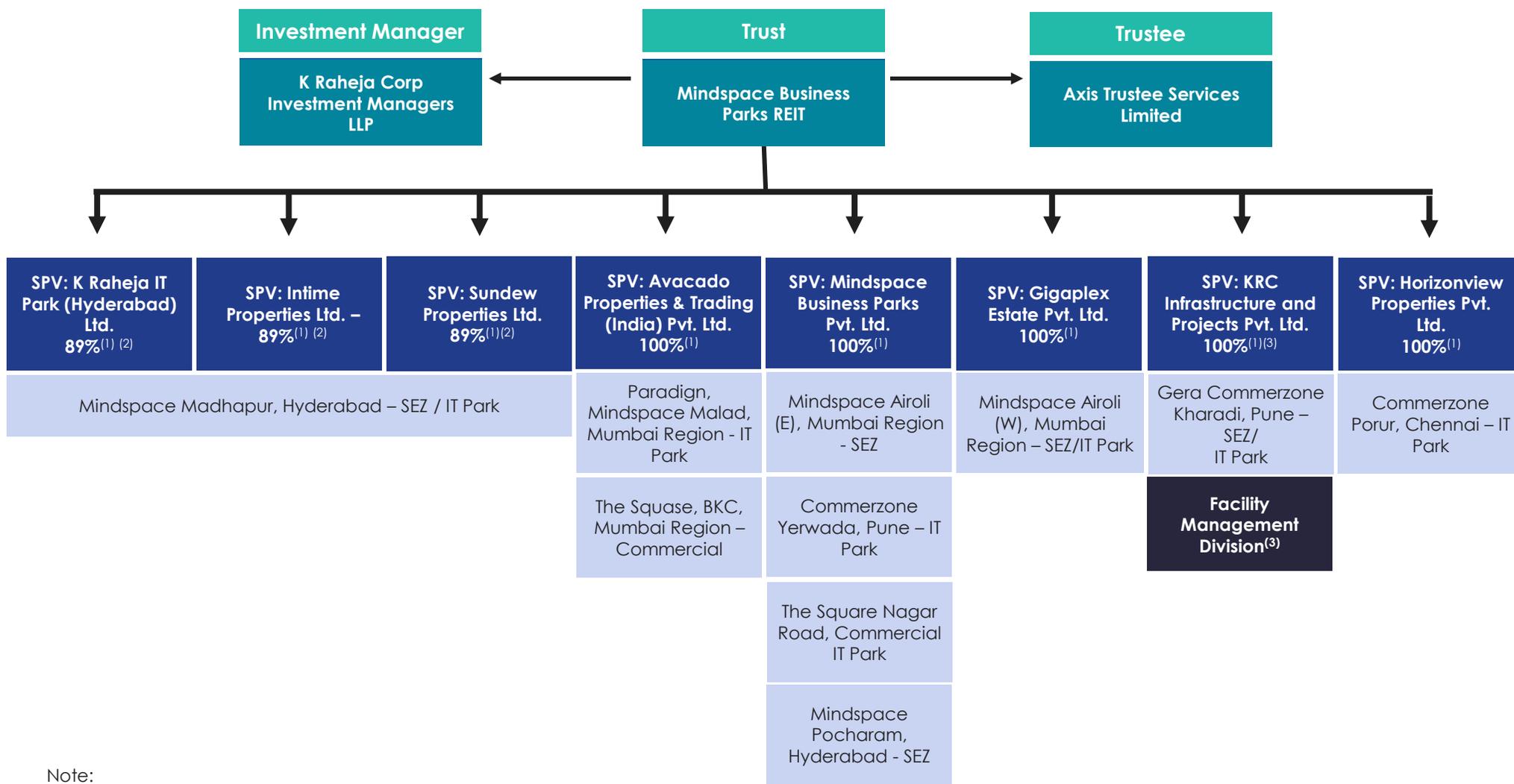


**Annexures**



# REIT Structure

## Mindspace REIT Structure



Note:

1. % indicates Mindspace REIT's shareholding in respective Asset SPVs
2. 11% shareholding in these Asset SPVs is held by Telangana State Industrial Infrastructure Corporation Limited (TSIIC)
3. KRC Infra has commenced facility management division from 01 October 2020 under brand name "CAMPLUS"

## Portfolio Summary

23.9 msf of Completed area with Committed Occupancy of 88.9% & WALE of 5.6 years

Asset	Total Leasable Area (msf)	Completed Area (msf)	Committed Occupancy (%)	Occupancy (%)	WALE (years)	In-place Rent (INR psf)	Market Value (INR Mn)
Mindspace Airoli East	6.8	4.7	96.5%	96.5%	4.3	49.7	42,425
Mindspace Airoli West	4.5	3.5	72.3%	69.7%	7.4	54.9	35,145
Mindspace Malad	0.7	0.7	93.8%	93.8%	2.7	93.2	9,311
The Square BKC	0.1	0.1	0.0%	0.0%	-	-	3,781
<b>Mumbai Region</b>	<b>12.1</b>	<b>9.0</b>	<b>85.7%</b>	<b>84.7%</b>	<b>5.1</b>	<b>55.1</b>	<b>90,661</b>
Gera Commerzone Kharadi	2.6	1.3	93.1%	93.1%	11.6	70.7	16,146
The Square Nagar Road	0.7	0.7	100.0%	100.0%	4.3	65.2	8,092
Commerzone Yerwada	1.7	1.7	99.9%	99.9%	5.3	58.0	19,050
<b>Pune</b>	<b>5.0</b>	<b>3.7</b>	<b>97.6%</b>	<b>97.6%</b>	<b>7.1</b>	<b>63.7</b>	<b>43,288</b>
Mindspace Madhapur	10.6	10.0	95.3%	92.2%	5.5	51.3	91,417 <sup>(1)</sup>
Mindspace Pocharam	1.0	0.4	92.4%	92.4%	1.8	20.5	2,752
<b>Hyderabad</b>	<b>11.6</b>	<b>10.4</b>	<b>95.2%</b>	<b>92.2%</b>	<b>5.4</b>	<b>50.2</b>	<b>94,169</b>
Commerzone Porur	0.8	0.8	5.3%	0.0%	-	-	6,204
<b>Chennai</b>	<b>0.8</b>	<b>0.8</b>	<b>5.3%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>6,204</b>
Facility Management Business							5,758
<b>Portfolio Total</b>	<b>29.5</b>	<b>23.9</b>	<b>88.9%</b>	<b>87.1%</b>	<b>5.6</b>	<b>54.4</b>	<b>240,080</b>

Note: As of 30 September 2020

1. The Market Value of Mindspace Madhapur is with respect to 89.0% ownership of the respective Asset SPVs that own Mindspace Madhapur

# ROFO Assets To Add Further Scale And Growth

Strong pipeline spread across Mumbai Region, Chennai and Hyderabad

**3** currently identified assets

**8.6** msf total potential

**4.6** msf by FY23

**10** year ROFO term

**Mumbai Region | 5.0 msf**  
**Mindspace Juinagar**

- Status:**
- Completed: 0.8 msf<sup>(1)</sup>
  - UC: 0.2 msf
  - Future Development: 4.0 msf



**Chennai | 1.8 msf**  
**Commerzone Pallikaranai**

- Status:**
- Tower 2: Basement 1 WIP
  - Expected completion: FY23



**Hyderabad | 1.8 msf**  
**Commerzone Madhapur**

- Status:**
- 1<sup>st</sup> & 2<sup>nd</sup> slab WIP
  - Expected completion: FY23



Note: Area represent Sponsor Group's share; ROFO Assets comprises only commercial development within the park  
1. Committed Occupancy of 55.1%; Completed area as on 30 September 2020

# Key Definitions

<b>Asset SPVs</b>	Collectively, Avacado, Gigaplex, Horizonview, Intime, KRIT, KRC Infra, MBPPL and Sundew
<b>Committed Occupancy (%)</b>	$\frac{\text{Occupied Area} + \text{Committed Area}}{\text{Completed Area}}$
<b>Committed Area</b>	Completed Area which is unoccupied but for which letter of intent/ agreement to lease have been signed
<b>Completed Area</b>	Leasable Area for which occupancy certificate has been received; Completed Area comprises Occupied Area, Committed Area and Vacant Area
<b>Future Development Area</b>	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 applications for requisite approvals required under law for commencement of construction are yet to be received
<b>In-place Rent (psf per month)</b>	Base Rent $\left(\frac{\text{Base Rentals for the specified period}}{\text{Occupied Area} \times \text{monthly factor}}\right)$ for a specified month
<b>Information Memorandum</b>	Information Memorandum filed with Stock Exchanges (for issue of Market Linked Debentures) on 28 September 2020
<b>Market Rent (psf per month)</b>	Manager's estimate of Base Rent that can be expected from leasing of the assets to potential tenants
<b>Market Value</b>	Market value (adjusted for non-controlling interest) as determined by Valuer as of 30 September 2020
<b>msf</b>	Million square feet
<b>Net Operating Income (NOI)</b>	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)
<b>Occupied Area</b>	Completed Area for which lease agreements / leave and license agreements have been signed with tenants
<b>Pre-Leased Area</b>	Under Construction Area for which letter of intent / agreement to lease/ lease deed/ leave and license agreement has been entered into with prospective tenants
<b>Portfolio</b>	Assets which will be directly or indirectly owned by Mindspace REIT prior to listing in terms of the REIT Regulations
<b>Re-leasing spread</b>	Refers to the change in Base Rent between new and expiring leases, expressed as a percentage
<b>Same Store Committed Occupancy (%)</b>	Represents Committed Occupancy for the Portfolio for areas where occupancy certificate was received on or before 30 September 2019
<b>Total Leasable Area</b>	Total Leasable Area is the sum of Completed Area, Under Construction Area and Future Development Area
<b>Under Construction Area</b>	Leasable Area where construction is ongoing and / or the occupancy certificate is yet to be obtained
<b>Vacant Area</b>	Completed Area which is unoccupied and for which no letter of intent / lease agreement / leave and license agreement has been signed
<b>WALE</b>	Weighted Average Lease Expiry based on area. Calculated assuming tenants exercise all their renewal options post expiry of their initial commitment period

# **Summary Valuation Report: Portfolio of Mindspace Business Parks REIT**

Date of Valuation: 30 September 2020

Date of Report: 03 November 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 disclosure of valuation of assets forming part of the portfolio of Mindspace Business Parks REIT ("Mindspace REIT"), in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchanges. 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 disclosure of valuation of assets, forming part of the portfolio of 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 21 September 2020 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 21 September 2020. 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

<b>1</b>	<b>Instruction.....</b>	<b>3</b>
1.1	Instructing Party .....	3
1.2	Purpose and Date of Valuation .....	4
1.3	Reliant Parties.....	4
1.4	Limitation of liability .....	5
1.5	Professional Competency of The Valuer.....	6
1.6	Disclosures.....	7
1.7	Assumptions, Disclaimers, Limitations & Qualifications to Valuation .....	9
<b>2</b>	<b>Valuation Approach and Methodology.....</b>	<b>12</b>
2.1	Purpose of Valuation .....	12
2.2	Basis of Valuation .....	12
2.3	Valuation Approach .....	12
2.4	Valuation Methodology .....	14
2.5	Information Sources .....	17
<b>3</b>	<b>Valuation Summary.....</b>	<b>18</b>
3.1	Assumptions, Disclaimers, Limitations & Qualifications .....	19
<b>4</b>	<b>Subject Properties .....</b>	<b>20</b>
4.1	MindSPACE Madhapur (Sundew Properties Ltd), Hyderabad .....	20
4.2	MindSPACE Madhapur (K Raheja IT Park (Hyderabad) Ltd), Hyderabad .....	23
4.3	MindSPACE Madhapur (Intime Properties Ltd), Hyderabad .....	27
4.4	MindSPACE Airoli East, Mumbai Region .....	30
4.5	MindSPACE Airoli West, Mumbai Region .....	35
4.6	Paradigm MindSPACE Malad, Mumbai Region .....	39
4.7	The Square, BKC, Mumbai Region .....	42
4.8	Commerzone Yerwada, Pune .....	45
4.9	Gera Commerzone Kharadi, Pune.....	48
4.10	The Square, Nagar Road, Pune .....	53
4.11	Commerzone Porur, Chennai.....	56
4.12	MindSPACE Pocharam, Hyderabad.....	59

# 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 land for future development a 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

The purpose of this valuation is to estimate the value of the Subject Properties as part of the portfolio of MindSPACE REIT for the disclosure of valuation of assets, forming part of the portfolio of MindSPACE REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchanges together with the clarifications, guidelines and notifications thereunder in the Indian stock exchanges and for accounting purposes. In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the valuation report are intended to be included.

## 1.3 RELIANT PARTIES

The reliance on this report is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ("SEBI"), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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 Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ("SEBI"), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit in connection with the disclosure of valuation of assets, forming part of the portfolio of MindSpace REIT, 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 disclosure of valuation of assets, forming part of the portfolio of MindSPACE REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchanges together with the clarifications, guidelines and notifications thereunder in the Indian stock exchanges.
- 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.

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- 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 reports 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 the disclosure of valuation of assets, forming part of the portfolio of MindSPACE REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchanges together with the clarifications, guidelines and notifications thereunder in the Indian stock exchanges and for accounting purposes.

### 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 1<sup>st</sup> 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 market 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 30 September 2020.

S. No.	Asset Name and Location	Leasable area (Million sq ft) <sup>1</sup>	Market Value (in INR Million) <sup>2</sup>			REIT Ownership
			Completed	Under-Construction	Total	
1	MindSpace Madhapur, Hyderabad	Completed – 10.0 Under-construction/ Future development – 0.6	90,155	1,261	91,417	89%
2	MindSpace Airoli East, Mumbai Region	Completed- 4.7 Under-construction/ Future development – 2.1 <sup>3</sup>	40,644	1,781	42,425	100%
3	MindSpace Airoli West, Mumbai Region	Completed – 3.5 Under-construction/ Future development – 1.0	29,178	5,967	35,145	100%
4	Paradigm MindSpace Malad, Mumbai Region	Completed - 0.7	9,311	-	9,311	100%
5	The Square, BKC, Mumbai Region	Completed – 0.1	3,781	-	3,781	100%
6	Commerzone Yerwada, Pune	Completed – 1.7	19,050	-	19,050	100%
7	Gera Commerzone Kharadi, Pune	Completed – 1.3 Under-construction/ Future development – 1.3	12,737	3,408	16,146	100%
8	The Square, Nagar Road, Pune	Completed - 0.7	8,092	-	8,092	100%
8	Commerzone Porur, Chennai	Completed – 0.8	6,204	-	6,204	100%
9	MindSpace Pocharam, Hyderabad	Completed - 0.4 Under-construction/ Future development – 0.6	1,199	1,553	2,752	100%
<b>Sub-Total</b>			<b>220,351</b>	<b>13,971</b>	<b>234,322</b>	
10	Facility Management Business		5,164	593	5,758	
<b>Total</b>			<b>225,516</b>	<b>14,564</b>	<b>240,080</b>	

<sup>1</sup> Based on Architect's Certificate

<sup>2</sup> 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 TSIC)

<sup>3</sup> 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 September 30, 2020 as provided below:

S. No.	Asset Name and Location	Leasable area (Million sq ft) <sup>1</sup>	Market Value (in INR Million) <sup>2</sup>			REIT Ownership
			Completed	Under-Construction	Total	
1	Facility Management Business	N.A.	5,164	593	5,758	100%

<sup>1</sup> Based on Architect's Certificate

<sup>2</sup> 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

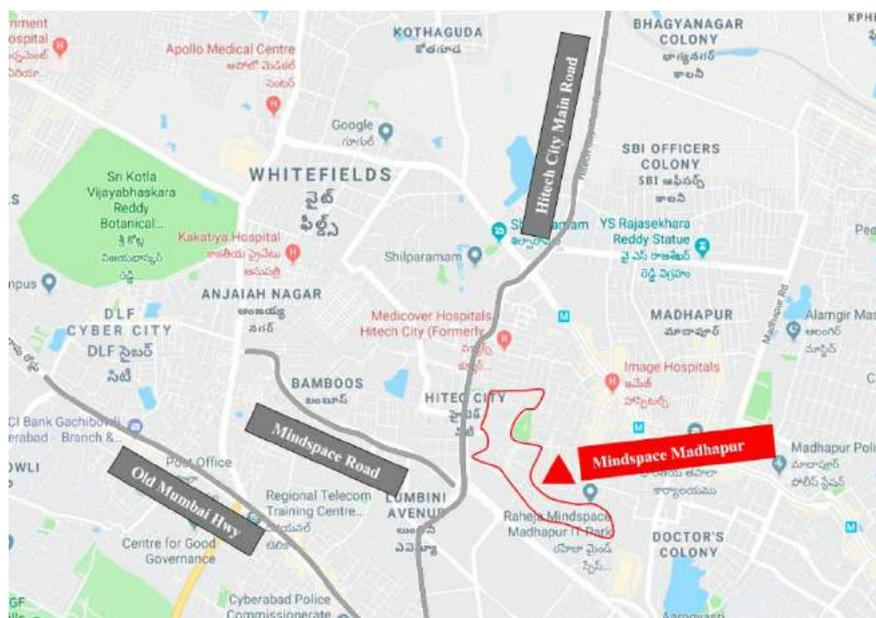
operational building (Building 11) and another under-construction building (Building 22 – Hotel building) are Non-SEZ.

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	590,271	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	909,446	SEZ	Completed
Building 12D	1,246,519	SEZ	Completed
Building 22	127,398	Non- SEZ	Under-construction
<b>Total</b>	<b>5,712,162</b>		

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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q3 FY 2021-22
Current Effective Rent	INR/sq ft/mth	52
Achievable Market Rent	INR/sq ft/mth	68
Parking Charges	INR/bay/mth	2,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgradation Capex: 290 Building 12D <sup>1</sup> : 1,408 Under-construction (Bldg 22): 142
Expected Completion	Qtr, Year	Upgradation Capex: Q2 FY 2022-23 Building 12D: Q4 FY 2020-21 Building No. 22 – Q4 FY 2020-21
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

Note:

<sup>1</sup> Of the total Remaining Capital Expenditure, INR 471 Million is planned for tenant specific fitouts for Building 12D. Along with this, fitout rent charged to the tenant against this fitout is also included in the cashflows.

## 4.1.8 Market Value

The market value of the full ownership interest of MindSPACE REIT in the Subject Property as on 30 September 2020 is as follows:

NR 50,121 Million<sup>1</sup>  
(Indian Rupees Fifty Billion One Hundred and Twenty-One Million Only)

Note:

<sup>1</sup> 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 (K Raheja IT Park (Hyderabad) Ltd ) 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 (K Raheja IT Park (Hyderabad) Ltd ), 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.

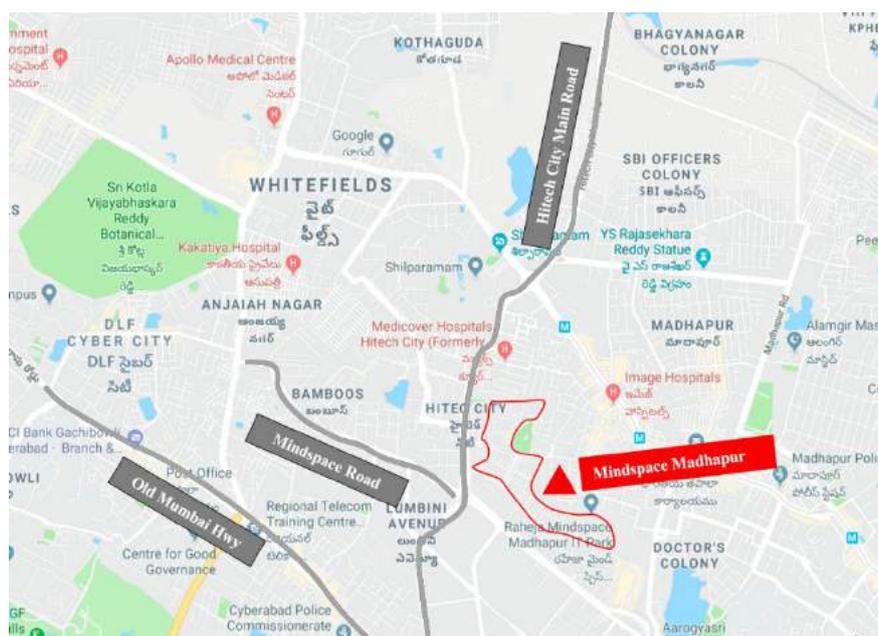
The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Building 1A	180,463	Non-SEZ	Completed
Building 1B	180,461	Non-SEZ	Completed
Building 2A	267,992	Non-SEZ	Completed
Building 2B	415,279	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
Amenities	5,269	Non-SEZ	Completed
<b>Total</b>	<b>3,164,822</b>		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

\* Note: Amenities include Kiosks (678 sq.ft.) and Vantage Café (4,619 sq.ft.)

## 4.2.6 Location Map



## 4.2.7 Key Assumptions

Particulars	Unit	Information
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q2 FY 2021-22
Current Effective Rent	INR/sq ft/mth	50
Achievable Market Rent	INR/sq ft/mth	68
Parking Charges	INR/bay/mth	2,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 778
Expected Upgrade Completion	Qtr, Year	Upgradation: Q3 FY 2022-23
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

#### 4.2.8 Market Value

The market value of the full ownership interest in the Subject Property as on 30 September 2020 is as follows

INR 25,235 Million<sup>1</sup>

(Indian Rupees Twenty-Five Billion Two Hundred and Thirty-Five Million Only)

*Note:*

<sup>1</sup> *The valuation presented is for 89% interest in the Subject Property.*

*The above value includes the market value of land for future development based on the weighted average of market comparable and Discounted Cash Flow methods, admeasuring approximately 1.8 acres*

### 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

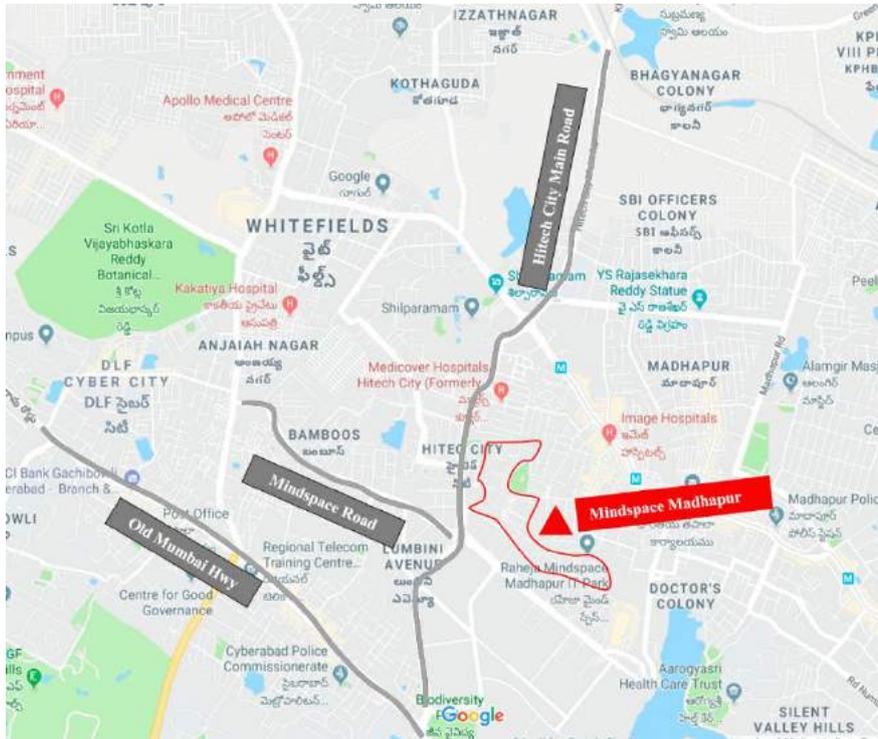
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has completed and operational buildings collectively admeasuring approximately 1.7 million sq. ft. of leasable area. Subject property buildings 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	1,095,357	Non-SEZ	Completed
<b>Total</b>	<b>1,729,877</b>		

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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q3 FY 2021-22
Current Effective Rent	INR/sq ft/mth	54
Achievable Market Rent	INR/sq ft/mth	68
Parking Charges	INR/bay/mth	2,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 80
Expected Upgrade Completion	Qtr, Year	Q2 FY 2021 - 22
<b>Other Financial Assumptions</b>		
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 30 September 2020 is as follows

INR 16,061 Million <sup>1</sup>

(Indian Rupees Sixteen Billion and Sixty-One Million Only)

*Note:*

<sup>1</sup> 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	353,852	SEZ	Completed
Building 2	344,370	SEZ	Completed
Building 3	354,404	SEZ	Completed
Building 4	349,433	SEZ	Completed
Building 5&6	862,389	SEZ	Completed
Building 7	345,376	SEZ	Completed
Building 8	295,423	SEZ	Completed
Building 9	359,847	SEZ	Completed
Building 10	366,319	SEZ	Completed
Building 11	353,159	SEZ	Completed
Building 12	371,972	SEZ	Completed
Building 14	344,247	SEZ	Completed
Club House	5,332	SEZ	Completed
Building 15	800,000	Non-SEZ	Future Development
Retail Space (High Street)	50,000	Non-SEZ	Future Development
<b>Total</b>	<b>5,556,123</b>		

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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q2 FY 2021-22
Current Effective Rent	INR/sq ft/mth	48
Achievable Market Rent	INR/sq ft/mth	58
Parking Charges	INR/bay/mth	1,500
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgrade <sup>1</sup> Capex: 1,598 Future Development: 4,097
Expected Completion	Qtr, Year	Building 15- Q4 FY 2023-24 High Street- Q4 FY 2021-22
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

Note:

<sup>1</sup> 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 30 March 2020:

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 30 September 2020 is as follows

INR 42,425 Million

(Indian Rupees Forty-Two Billion Four Hundred and Twenty-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 1.76 acres with available FSI of 15,092 sqm as on 30 September 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 Megabyte and Gigabyte. 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

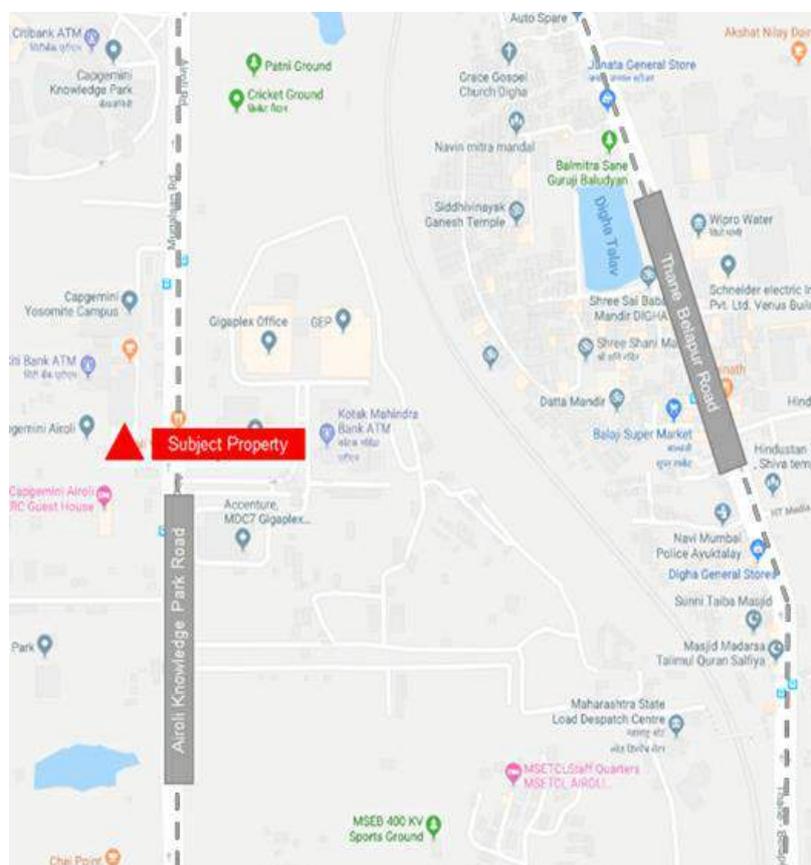
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has ready and operations buildings collectively admeasuring approximately 3.5 million sq. ft. of leasable area. Out of the total six completed 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	391,779	SEZ	Completed
Centre Court	796	SEZ	Completed
Building 9	1,033,590	Non-SEZ	Under-construction
<b>Total</b>	<b>4,497,616</b>		

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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q4 FY 2022-23
Current Effective Rent	INR/sq ft/mth	55
Achievable Market Rent	INR/sq ft/mth	54
Parking Charges	INR/bay/mth	2,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Under-construction <sup>1</sup> : 1,719
Expected Completion	Qtr, Year	Under-construction (Bldg 9): Q1 FY 2021-22
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

<sup>1</sup> Total Remaining Capital Expenditure includes the pending payments of INR 19 Million relating to Building 4 and remaining capital expenditure of INR1,700 Million for Building 9.

#### 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 30 March 2020:

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 30 September 2020 is as follows

INR 35,145 Million

(Indian Rupees Thirty-Five Billion One Hundred and Forty-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 30 September 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

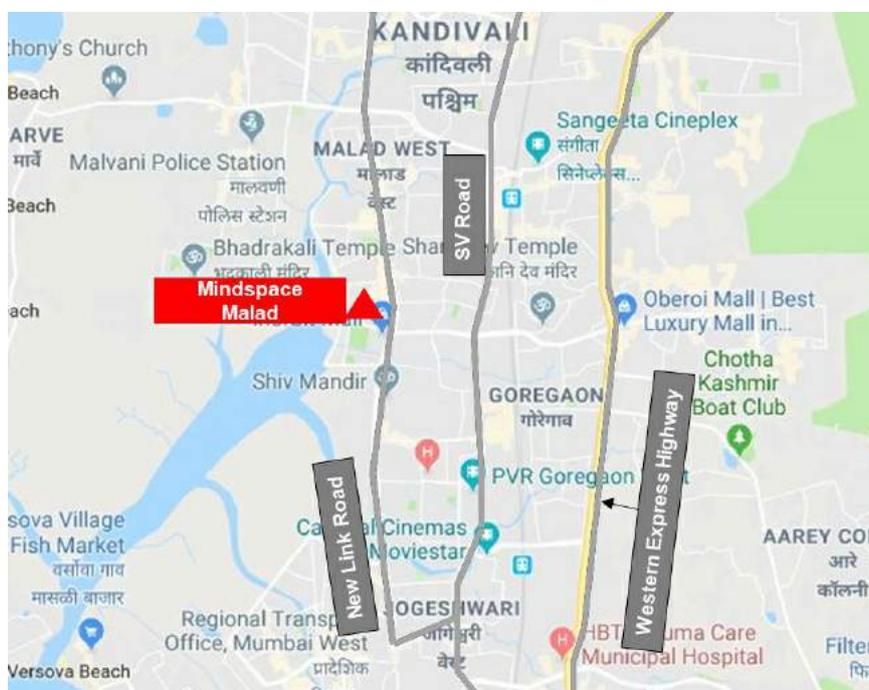
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has ready buildings collectively admeasuring approximately 0.7 million sq. ft. of leasable area.

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	356,651	IT Park	Completed
Building 2	344,372	IT Park	Completed
<b>Total</b>	<b>701,023</b>		

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
<b>Revenue Assumptions (as on 30/09/ 2020)</b>		
Lease Completion	Qtr, Year	Q2 FY 2021-22
Current Effective Rent	INR/sq ft/mth	93
Achievable Market Rent	INR/sq ft/mth	86
Parking Charges	INR/bay/mth	5,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgrade <sup>1</sup> Capex: 343
Expected Completion	Qtr, Year	Q3 FY 2025-26
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

Note:

<sup>1</sup> Includes capex for warmshell conversion

## 4.6.8 Market Value

The market value of the full ownership interest in the Subject Property, as on 30 September 2020, is as follows

INR 9,311 Million  
(Indian Rupees Nine Billion Three Hundred and Eleven 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

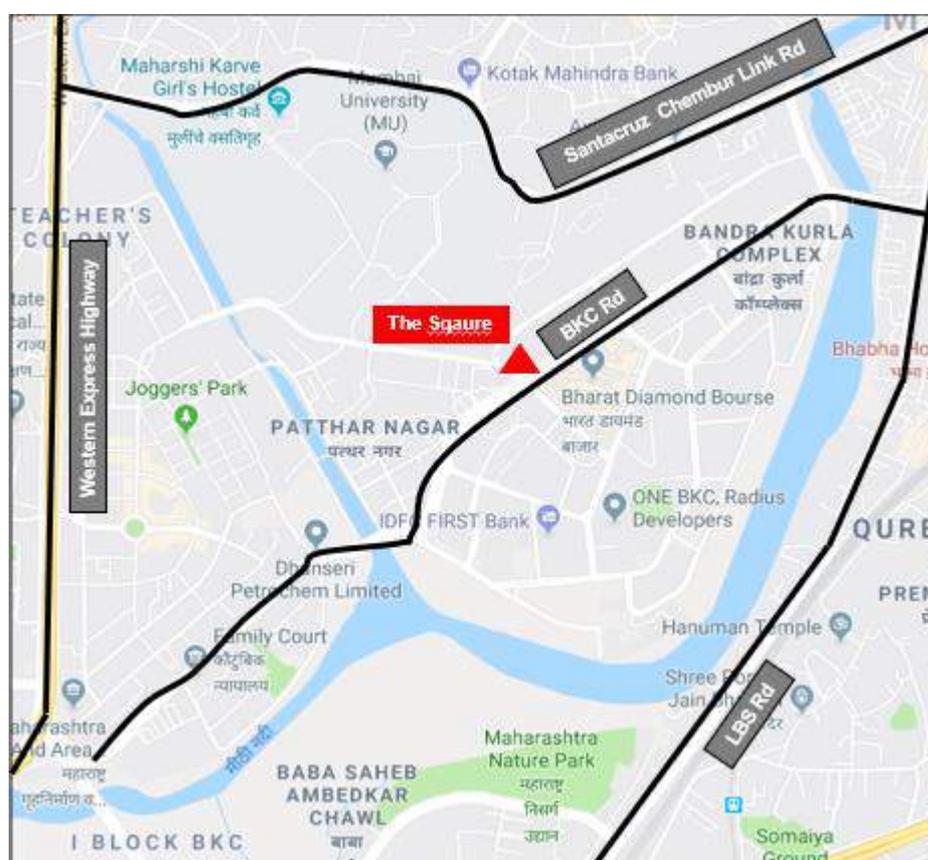
#### 4.7.5 Statement of Assets

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
<b>Revenue Assumptions (as on 31/03/2020)</b>		
Lease Completion	Qtr, Year	Q3 FY 2021-22
Current Effective Rent	INR/sq ft/mth	N.A.
Achievable Market Rent	INR/sq ft/mth	260
Parking Charges	INR/bay/mth	N.A.
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 234
Expected Completion	Qtr, Year	Q1 FY 2021-22
<b>Other Financial Assumptions</b>		
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 30 September 2020 is as follows:

INR 3,781 Million

(Indian Rupees Three Billion Seven Hundred and Eighty-One 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;

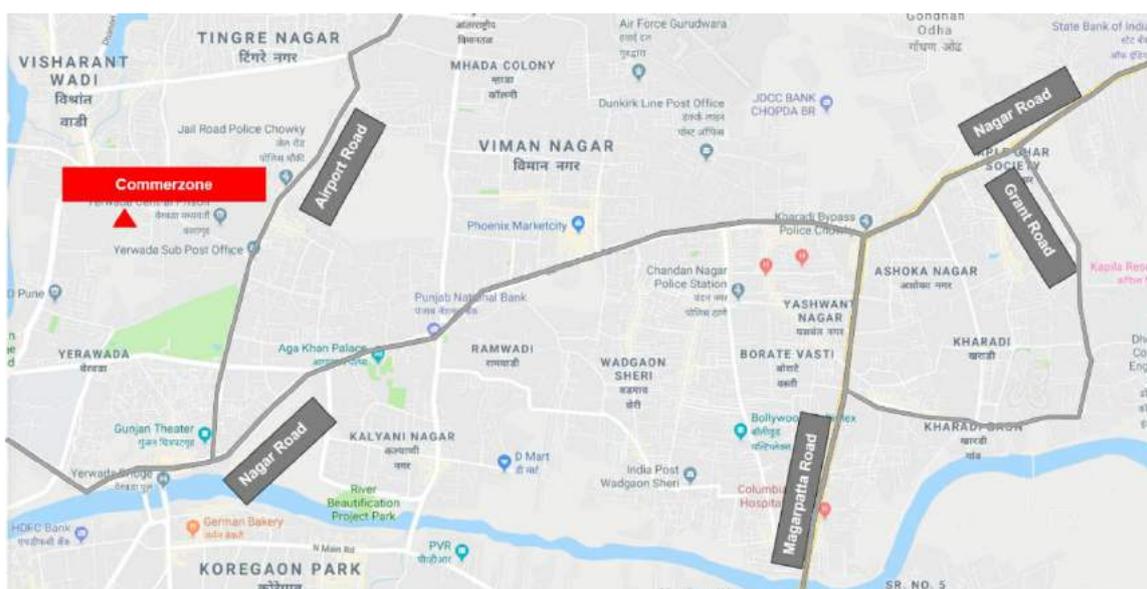
The building wise Leasable Area break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.) <sup>1</sup>	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 <sup>1</sup>	Non-SEZ	Completed
<b>Total</b>	<b>1,676,080</b>		

Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

<sup>1</sup> Area under full ownership of Mindspace REIT

#### 4.8.6 Location Map



## 4.8.7 Key Assumptions

Particulars	Unit	Information
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	N.A.
Current Effective Rent	INR/sq ft/mth	58
Achievable Market Rent	INR/sq ft/mth	78
Parking Charges	INR/bay/mth	2,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgrade <sup>1</sup> Capex: 71
Expected Completion	Qtr, Year	Q3 FY2020-21
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

*Note:*

<sup>1</sup> Of the total Remaining Capital Expenditure of 71 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 30 September 2020 is as follows:

INR 19,050 Million

(Indian Rupees Nineteen Billion and Fifty 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 with 12 floors and building 6 is partially occupied with 13 floors.

#### **Under-Construction –**

Buildings 4 and 5 are IT buildings admeasuring ~1.3 Million sq. ft. of total leasable area and will have 13 floors. 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

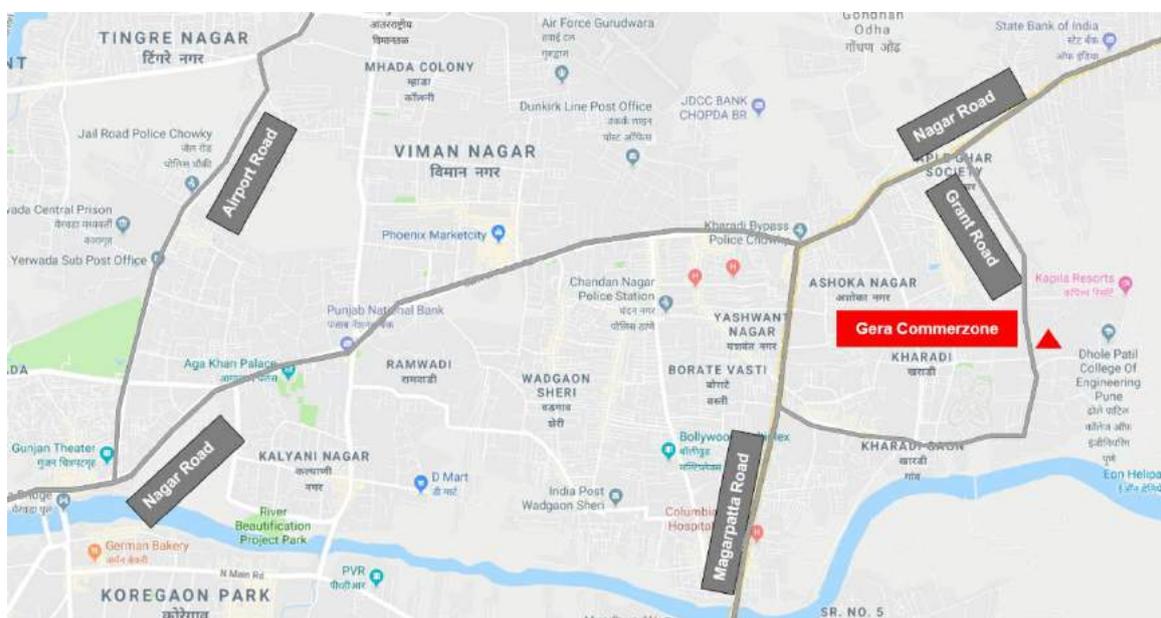
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has under-construction and future

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
<b>Total</b>	<b>2,565,584</b>		

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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q1 FY 2024-25
Current Effective Rent	INR/sq ft/mth	71
Achievable Market Rent	INR/sq ft/mth	78
Parking Charges	INR/bay/mth	N.A.
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Under Construction <sup>1</sup> : 9,654
Expected Completion	Qtr, Year	Q3 FY 2023-24
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	13.10

<sup>1</sup> Total Remaining Capital Expenditure includes the pending payments of INR 463 Million relating to Building 3 and 6. It also includes capital expenditure of INR 9,192 Million for Building 5 and 4 including remaining General Development.

#### 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 30 September 2020, is as follows

INR 16,146 Million

(Indian Rupees Sixteen Billion One 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.*

#### 4.9.13 Facilities Management Services

KRC Infrastructure and Projects Private Limited has planned to commence facility management business from the 1<sup>st</sup> day of the quarter following the listing of MindSpace REIT. For the purpose of valuation, it is 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 ~24.7 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 ~3.8 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 30 September 2020 is as follows:

INR 5,758 Million

(Indian Rupees Five Billion Seven Hundred and Fifty-Eight 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

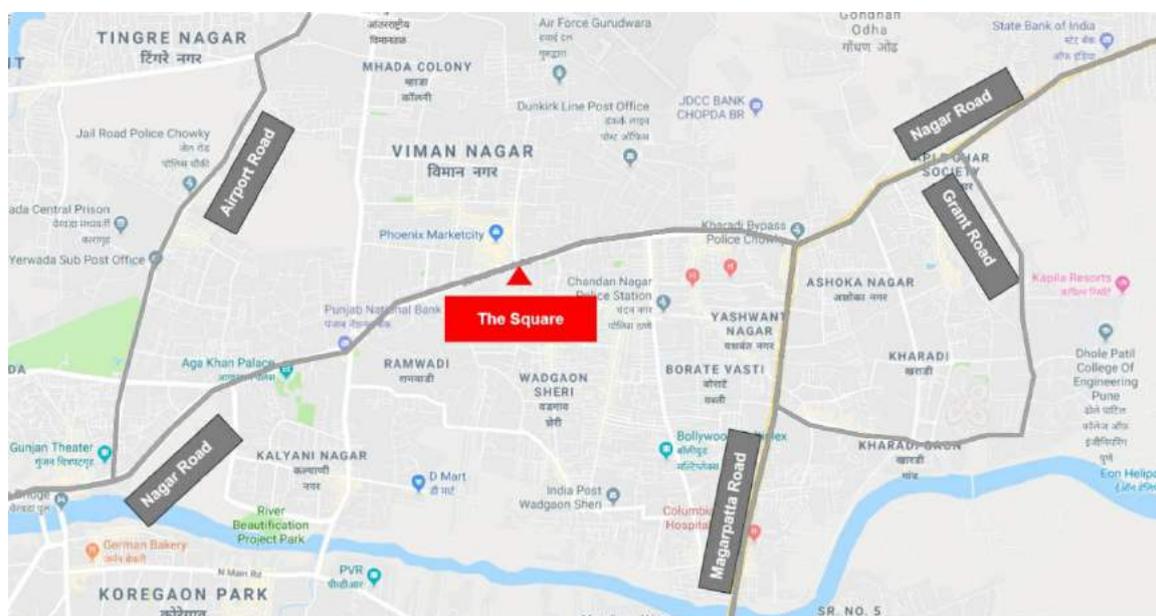
#### 4.10.5 Statement of Assets

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
<b>Total</b>	<b>742,822</b>		

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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	N.A.
Current Effective Rent	INR/sq ft/mth	65
Achievable Market Rent	INR/sq ft/mth	78
Parking Charges	INR/bay/mth	2,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Upgrade Capex: 30
Expected Completion	Qtr, Year	Q2 FY2021-22
<b>Other Financial Assumptions</b>		
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 30 September 2020, is as follows

INR 8,092 Million  
(Indian Rupees Eight Billion and Ninety-Two 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 a completed 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., 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 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) <sup>1</sup>	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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q4 FY 2021-22
Current Effective Rent	INR/sq ft/mth	N. A
Achievable Market Rent	INR/sq ft/mth	63
Parking Charges	INR/bay/mth	2,500
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Finishing Works: 584
Expected Completion	Qtr, Year	Q4 FY 2020-21
<b>Other Financial Assumptions</b>		
Cap Rate	%	8.00
WACC (Complete/Operational)	%	11.75
WACC (Under-construction/Future Development)	%	N.A.

## 4.11.8 Market Value

The market value of the economic interest of Mindspace REIT in the Subject Property, as on 30 September 2020 is as follows;

INR 6,204 Million

(Indian Rupees Six Billion Two Hundred and Four 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

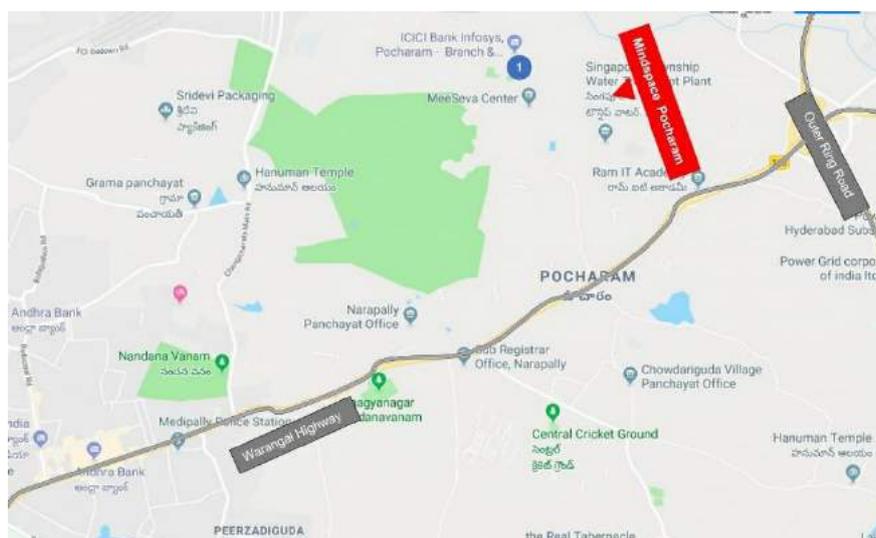
Based on the review of various documents like title reports, rent rolls, lease deeds, Architect's certificates etc. shared by the Client, the Subject Property has one operational building and one under-construction building collectively admeasuring approximately 0.6 million sq. ft. of leasable area. 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
<b>Total</b>	<b>1,000,000</b>		

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
<b>Revenue Assumptions (as on 30/09/2020)</b>		
Lease Completion	Qtr, Year	Q2 FY 2021-22
Current Effective Rent	INR/sq ft/mth	20
Achievable Market Rent	INR/sq ft/mth	22
Parking Charges	INR/bay/mth	2,000
<b>Development Assumptions</b>		
Remaining Capital Expenditure	INR Million	Under-construction: 58
Expected Completion	Qtr, Year	Q2 FY 2023 - 2024
<b>Other Financial Assumptions</b>		
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 30 September 2020 is as follows:

INR 2,752 Million <sup>1</sup>

(Indian Rupees Two Billion Seven Hundred and Fifty-Two Million Only)

*Note:*

<sup>1</sup> 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 30 September 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.

**Strictly Confidential  
For Addressee Only**

**Independent Property  
Consultant Report on the  
Valuation Methodology of  
Mindspace Business Parks  
REIT**

**Report for**

**K Raheja Corp Investment  
Managers LLP**

**Report Date**

**03 November 2020**





**TABLE OF CONTENTS**

**A REPORT ..... 2**

1 Instructions - Appointment.....2

2 Professional Competency of C&WI Valuation & Advisory Services India .....2

3 Disclosures .....3

4 Purpose .....3

5 Scope of Work.....3

6 Approach & Methodology .....3

7 Authority (in accordance with this Agreement) .....4

8 Third Party Claim Indemnity (in accordance with this Agreement) .....4

9 Limitation of Liability (in accordance with this Agreement) .....4

10 Disclaimer .....5

11 Disclosure and Publications .....5

**B REVIEW FINDINGS ..... 6**

Annexure 1: Instructions (Caveats & Limitations).....11

Annexure 2: Extract of Methodology & Key Assumptions for the Valuation of Properties .....13



**From:**  
**Cushman & Wakefield (India) Pvt Ltd**  
A – 502,5th Floor, A Wing, One BKC,  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051

**To:** K Raheja Corp Investment Managers LLP

**Property:** Mindspace Business Parks REIT

**Report Date:** 03 November 2020

## **A REPORT**

### **1 Instructions - Appointment**

Cushman & Wakefield India Pvt. Ltd. (C&WI) as an independent international property consultant has been instructed by K Raheja Corp Investment Managers LLP (the 'Client', the 'Instructing Party') in its capacity as manager of Mindspace Business Parks REIT ("Mindspace REIT") to perform an independent review (the "Engagement"), of the Stated Procedure ( as defined below), used for the valuation of the properties (the "Properties") owned by SPVs (as defined below), which in turn will be owned by Mindspace Business Parks REIT and provide an independent report ("Report"). This agreement sets out the scope and other understanding between the parties ("Agreement").

The Properties considered as part of this study are detailed in Part B of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 1 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of C&WI Valuation & Advisory Services India**

C&WI Valuation & Advisory Services India is an integral part of C&WI Global Valuation & Advisory Services team. The Global Valuation & Advisory team comprises of over 1,970+ professionals across approximately 150+ offices globally and India VAS team comprises of more than 50 professionals.

C&WI Valuation & Advisory Services India have completed over 9,997 valuation and advisory assignments across varied asset classes/ properties worth USD 446 billion.

We provide quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. We derive global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

In India, we have our presence since 1997. Our dedicated and experienced professionals provide quality services from 7 offices across India (Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad and Pune). We have a strong team of experienced and qualified professionals dedicated to offer Valuation & Advisory services in various locations across the country. C&WI India recognizes that no uniform norms and standards for real estate valuation currently exist in India. With this context and background, C&WI utilizes internationally accepted valuation techniques customized to Indian context based on best practices in the Industry.



Our professionals have diverse backgrounds such as RICS, CAs, CFAs, MBAs, Architects, Planners, Engineer's etc. We are preferred valuers for global and domestic banks, financial institutions, Asset Reconstruction Companies (ARC's), Private Equity Funds, Non-Banking Financial Company (NBFC) etc.

### **3 Disclosures**

C&WI has not been involved with the acquisition or disposal, within the last twelve months, of any of the properties being considered for the Engagement. C&WI has no present or planned future interest in the Client, Trustee, Mindspace REIT, the Sponsors and Sponsor Group to Mindspace REIT or the Special Purpose Vehicles (SPVs) and the fee for this Report is not contingent upon the review contained herein. C&WI has also prepared the Industry Report which covers the overview of the commercial real estate markets, the drivers and trends in the relevant cities/micro-markets. Our review should not be construed as investment advice; specifically, we do not express /any opinion on the suitability or otherwise of entering into any financial or other transaction with the Client or the SPVs.

C&WI shall keep all the information provided by Client confidential.

### **4 Purpose**

The purpose of the Engagement is to review the assumptions and methodologies as set out in Annexure 2 ("Stated Procedure") which have been used for disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. It is hereby clarified that we are not undertaking a valuation under the SEBI REIT Regulations or any other enactment and the scope of work is expressly limited to what is stated herein.

With respect to the aforementioned disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, this independent report is intended to be filed with the Securities and Exchange Board of India ("SEBI"), stock exchanges, trustee or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to Mindspace Business Parks REIT.

### **5 Scope of Work**

C&WI has given its views in relation to the Stated Procedure and this Engagement should not be considered as an audit of a valuation or an independent valuation of a Property. C&WI has not developed its own opinion of value but has reviewed the Stated Procedure in light of the framework contained in the RICS Valuation Global Standards 2019 ("Red Book") which is compliant with the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020.

C&WI review is limited, by reference to the date of this report and to the facts and circumstances relevant to the Properties at the time, to review and assess, under the Red Book standards:

- whether the key assumptions as set out in the Stated Procedure are reasonable; and
- whether the methodology followed as set out in the Stated Procedure is appropriate;

### **6 Approach & Methodology**

C&WI has prepared the Industry report including overview of the commercial office scenario for each of the markets/ sub-markets where Properties are present., C&WI has visited the Properties during the study.



C&WI has been provided with the information such as rent rolls, sample agreement copies, approval plans and other information such as valuation Methodology and key assumptions including achievable rental for the property, rental growth rate, construction timelines, Capitalisation rates, Discount rates etc. An extract of the Methodology and Key assumptions is provided in Annexure 2

## **7 Authority (in accordance with this Agreement)**

The Manager acknowledges and agrees that C&WI's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided by C&WI solely to the Manager in relation to Mindspace Business Parks REIT. If the Manager desires to use the Deliverables or C&WI's name in any other offering other than as contemplated under this Agreement, then the Manager shall obtain C&WI's prior written approval for such usage. The Manager shall indemnify C&WI for any losses suffered by C&WI due to such usage other than as prescribed under this Agreement. Additionally, the Manager herewith consents to provide or cause to be provided, an indemnification agreement in C&WI's favor, reasonably satisfactory to C&WI to indemnify C&WI for any use of the Report other than for the purpose permitted under this Agreement. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for statutory /other reporting for sharing with REIT investors/unitholders for Mindspace Business Parks REIT.

## **8 Third Party Claim Indemnity (in accordance with this Agreement)**

The Report issued shall be used by the Manager in relation to the purpose stated previously. In the event the Manager (i) uses the Report not (i) in accordance with the terms of this Agreement / as per purpose permitted under this Agreement or (ii) permits reliance thereon by, any person or entity as not authorized by C&WI in writing to use or rely thereon, the Manager hereby agrees to indemnify and hold C&WI, its affiliates and their respective shareholders, directors, officers and employees (collectively the "Representatives"), harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim, arising from or in any way connected to the use of , or reliance upon, the Report. Notwithstanding the forgoing, the Manager shall not be liable under this clause if such damages, expenses, claims and costs incurred as a result of C&WI's or any of its affiliates' or any of their respective Representatives' gross negligence, fraud, wilful misconduct, or breach of their confidentiality obligations under this Agreement.

C&W disclaims any and all liability to any party other than the Manager.

## **9 Limitation of Liability (in accordance with this Agreement)**

C&WI endeavors to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in this Agreement, C&WI's total aggregate liability to the Manager arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the professional indemnity insurance limited to Indian Rupees INR 50 million

In the event that C&WI is subject to any claims in connection with, arising out of or attributable to in any legal proceedings In all such cases, the Manager agrees to reimburse/ refund to C&WI, the actual cost (which shall include legal fees and external counsel's fee) incurred by C&WI while becoming a necessary party/respondent.



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## **10 Disclaimer**

C&WI will neither be 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.

## **11 Disclosure and Publications**

You must not disclose the contents of this report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars.



## B REVIEW FINDINGS

Our exercise has been to review the Stated Procedure, which has been used, for conducting valuation of Properties in connection with the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange, in accordance with IVS 104 of the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020.

The approach adopted by C&WI would be to review the Stated Procedure, which would have a significant impact on the value of Properties, such as:

- Achievable rental for the property
- Rental Growth rate
- Construction timelines
- Capitalisation rate
- Discount rate

C&WI has:

- Independently reviewed the key assumptions as set out in the Stated Procedure and is of the opinion that they are reasonable;
- Independently reviewed the approach and methodology followed and analysis as set out in the Stated Procedure, to determine that it is in line with the guidelines followed by RICS and hence is appropriate;

C&WI finds the assumptions, departures, disclosures, limiting conditions as set out in the Stated Procedure, relevant and broadly on lines similar to RICS guidelines. No other extraordinary assumptions are required for this review.

Novel Coronavirus disease (Covid-19) has been declared as a pandemic by the World Health Organization (WHO) in March 2020. Owing to this, India has faced lockdown of various degrees in the past few months. Due to the pandemic, the real estate sector has also faced challenges and hence have been impacted. With the construction activity being temporarily suspended and the limited availability of construction works, raw materials etc. We understand that there would be a delay in the delivery timeline of planned future supply.

For commercial sector there has been mandatory office closures in the month of April and May. People and organizations have been forced to test the remote working landscape. Post lock down there will be focus on recovery readiness and making workspace new normal-ready. We believe that whilst 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.

Consolidation strategies may be put on hold to reevaluate the recent landscape and renewals are expected to continue as capital expenditure decisions are put on hold. However, relocation decisions maybe reviewed in the context of cost control driving demand to peripheral office locations.



Though the magnitude of the pandemic on commercial real estate is difficult to predict, we anticipate 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 consequent impact on the rental growth rate in the markets. The stimulus packages by Government of India and gradual reopening of offices and manufacturing plants are likely to support economic activity. We observe that the assumptions noted in Annexure 2, reflect these factors.

Below is the summary of the portfolio of the properties as of September 30, 2020 which is spread across Hyderabad, Mumbai, Pune and Chennai that has been reviewed:

Sr No	Location	Project	Area	
			Completed (In msf)	Under Construction / Future Development (In msf)
1	Hyderabad	Intime, Mindspace Madhapur, Hyderabad	1.7	-
2	Hyderabad	KRIT, Mindspace Madhapur, Hyderabad	2.7	0.5
3	Hyderabad	Sundew, Mindspace Madhapur, Hyderabad	5.6	0.1
<b>Total Mindspace Madhapur, Hyderabad</b>			<b>10.0</b>	<b>0.6</b>
4	Mumbai	Mindspace Airoli East	4.7	2.1 <sup>1</sup>
5	Mumbai	Mindspace Airoli West	3.5	1.0
6	Mumbai	Mindspace Malad, Mumbai	0.7	-
7	Mumbai	The Square, Bandra Kurla Complex	0.1	-
8	Pune	Commerzone, Yerwada, Pune	1.7	-
9	Pune	Gera Commerzone, Kharadi, Pune	1.3	1.3
10	Pune	The Square, Nagar Road, Pune	0.7	-
11	Chennai	Commerzone Porur, Chennai	0.8	-
12	Hyderabad	Mindspace Pocharam, Hyderabad (including land area for future development)	0.4	0.6
<b>Total</b>			<b>23.9</b>	<b>5.7<sup>2</sup></b>

(1) 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.

(2) Total Under-Construction / Future Development areas rounded to a single decimal point



Below is the Property wise analysis:

- **MindSPACE, Madhapur (Intime):** C&WI view of the market rent for the asset would be in the range of INR 65-70 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **MindSPACE, Madhapur (KRIT):** C&WI view of the market rent for the asset would be in the range of INR 65-70 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market. It also includes land area planned to be utilized for future development of around 0.50 msf.
- **MindSPACE, Madhapur (Sundew):** C&WI view of the market rent for the asset would be in the range of INR 65-70 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **MindSPACE Airoli East:** C&WI view of the market rent for the asset would be in the range of INR 55-60 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market. It also includes land area for future development (which may be considered for sale) admeasuring approximately 1.76 acres.
- **Gigaplex Airoli West:** C&WI view of the market rent for the asset would be in the range of INR 53-55 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market. It also includes land area for future development (which may be considered for sale) admeasuring approximately 16.4 acres.
- **MindSPACE Malad, Mumbai:** C&WI view of the market rent for the asset would be in the range of INR 85-90 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **The Square, BKC:** The Property was acquired in August 2019. Considering the prime location on the main arterial road of BKC with good frontage, enhanced signage opportunity and also that the size of ~ 1.2 lakh sft makes the relevant for tenants who are looking for a flagship single occupancy building in the leading business district of the city, C&WI view of the market rent for the asset would be in the range of INR 250-275 per sft per month. C&WI considers the discount rate appropriate and cap rate in line with the market.

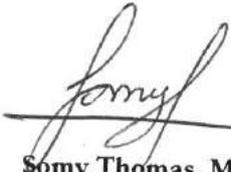


- **Commerzone, Yerwada:** C&WI view of the market rent for the asset would be in the range of INR 75-80 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Commerzone, Kharadi:** C&WI view of the market rent for the asset would be in the range of INR 75-80 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **The Square – Nagar Road:** C&WI view of the market rent for the asset would be in the range of INR 75-80 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Commerzone Porur:** C&WI view of the market rent for the asset would be in the range of INR 60-65 per sft per month. This is keeping in mind the latest transactions within the competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Mindspace, Pocharam:** C&WI view of the market rent for the asset would be in the range of INR 22-25 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market. It also includes land area for future development admeasuring approximately 59.0 acres (approximately 40.0 acres out of which may be considered for sale).

Considering the above-mentioned points, C&WI considers the market assumptions and the approach to valuation for the above Properties to be reasonable and in line with international standards (RICS).



Signed for and on Behalf of Cushman & Wakefield India Pvt. Ltd



**Somy Thomas, MRICS**  
Managing Director,  
Valuation and Advisory Services



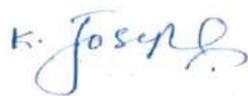
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**Ankur Gupta, CFA**  
Manager,  
Valuation and Advisory Services



## Annexure 1: Instructions (Caveats & Limitations)

1. The Independent Property Consultant Report is not based on comprehensive market research of the overall market for all possible situations. Cushman & Wakefield India (hereafter referred to as "C&WI") has covered specific markets and situations, which are highlighted in the Report.

The scope comprises of reviewing the assumptions and methodology in the Stated Procedure, for valuation of the Properties. C&WI did not carry out comprehensive field research-based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI has relied on the information supplied to C&WI by the Client

2. In conducting this assignment, C&WI has carried out analysis and assessments of the level of interest envisaged for the Property(ies) under consideration and the demand-supply for the commercial sector in general. The opinions expressed in the Report will be subject to the limitations expressed below.
  - a. C&WI has endeavoured to develop forecasts on demand, supply and pricing on assumptions that would be considered relevant and reasonable at that point of time. All of these forecasts are in the nature of likely or possible events/occurrences and the Report will not constitute a recommendation to Mindspace REIT or (Client or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and basis on which forecasts have been generated and is not recommended as an input to a financial decision.
  - b. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
  - c. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI has relied upon secondary sources of information for a macro-level analysis. Hence, no direct link is to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
  - d. The services provided is limited to review of assumptions and valuation approach and other specific opinions given by C&WI in this Report and does not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI does not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - e. While the information included in the Report is believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
  - f. In the preparation of the Report, C&WI has relied on the following information:
    - i. Information provided to C&WI by the Client and subsidiaries and third parties,;
    - ii. Recent data on the industry segments and market projections;
    - iii. Other relevant information provided to C&WI by the Client and subsidiaries at C&WI's request;



- 
- iv. Other relevant information available to C&WI; and
    - v. Other publicly available information and reports.
  3. The Report will reflect matters as they currently exist. Changes may materially affect the information contained in the Report.
  4. In the course of the analysis, C&WI has relied on information or opinions, both written and verbal, as currently obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third-party organizations and this is bona-fidely believed to be reliable.
  5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.



## Annexure 2: Extract of Methodology & Key Assumptions for the Valuation of Properties

### Valuation Approach and Methodology

- **PURPOSE OF VALUATION**

The purpose of the 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.

- **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.’

- **VALUATION APPROACH**

The basis of valuation for the Subject Property being Market Value, the same may be derived by any of the following approaches:

- **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.

- **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).

- *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.

- *Income Approach - Discounted Cash Flow Method*

Using the 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.

- *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.

- **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").

- Asset-specific Review:

1. 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.
2. For anchor/large tenants, adjustments on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.



3. 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.
4. Physical site inspections were undertaken to assess the current status of the Subject Properties.

○ Micro-market Review:

The review was carried out in the following manner:

1. 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 (view on achievable rent for the Subject Properties for leasing vacant spaces as well as upon re-leasing).
2. The historical leasing to be analysed 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.

○ Cash Flow Projections:

1. The cash flows for the operational and under-construction/future development area have been projected separately to arrive at their respective value estimates.
2. 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).

3. 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.
4. 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.



## Key Assumptions

### 1. Intime, Mindspace Madhapur, Hyderabad

Particulars	Units of measure	Details
<b>Property details</b>		
Type of property		Completed
Leasable area	sq. ft.	17,29,877
Area leased	sq. ft.	15,17,080
Vacancy	%	12.3%
Vacant area	sq. ft.	2,12,797
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	68
Rental Growth Rate per annum	%	5.0%
Normal Market lease tenure	years	9
Construction start date	date	n.a.
Construction end date	date	n.a.
Capitalisation Rate	%	8.0%
Discount Rate	%	11.75%

*n.a. - not applicable*

### 2. KRIT, Mindspace Madhapur, Hyderabad

Particulars	Units of measure	Details
<b>Property details</b>		
Type of property		Completed
Leasable area	sq. ft.	26,64,822
Area leased	sq. ft.	25,84,282
Vacancy	%	3.0%
Vacant area	sq. ft.	80,540
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	68
Rental Growth Rate per annum	%	5.0%
Normal Market lease tenure	years	9
Construction start date	date	n.a.
Construction end date	date	n.a.
Capitalisation Rate	%	8.0%
Discount Rate	%	11.75%

*n.a. - not applicable*

*Has additional land area planned to be utilized for future development of around 0.50 msf.*



### 3. Sundew, Mindspace Madhapur, Hyderabad

Particulars	Units of measure	Details	
<b>Property details</b>			
Type of property		Completed	Under Construction
Leasable area	sq. ft.	55,84,764	1,27,398
Area leased	sq. ft.	53,61,196	1,27,398
Vacancy	%	4.0%	0.0%
Vacant area	sq. ft.	2,23,568	-
<b>Key Assumptions</b>			
Achievable Rental per month	INR per sq. ft.	68	68
Rental Growth Rate per annum	%	5.0%	5.0%
Normal Market lease tenure	years	9	9
Construction start date	date	n.a.	01-Apr-18
Construction end date	date	n.a.	31-Mar-21
Capitalisation Rate	%	8.0%	8.0%
Discount Rate	%	11.75%	13.10%

*n.a. - not applicable*

### 4. Mindspace Airoli East

Particulars	Units of measure	Details		
<b>Property details</b>				
Type of property		Completed	Future Development	Future Development
Leasable area	sq. ft.	47,06,123	50,000	8,00,000
Area leased	sq. ft.	45,40,726	-	-
Vacancy	%	3.5%	100.0%	100.0%
Vacant area	sq. ft.	1,65,397	50,000	8,00,000
<b>Key Assumptions</b>				
Achievable Rental per month	INR per sq. ft.	58	63	58
Rental Growth Rate per annum	%	5.0%	5.0%	5.0%
Normal Market lease tenure	years	9	9	9
Construction start date	date	n.a.	01-Apr-21	01-Oct-21
Construction end date	date	n.a.	31-Mar-22	31-Mar-24
Capitalisation Rate	%	8.0%	8.0%	8.0%
Discount Rate	%	11.75%	13.10%	13.10%

*n.a. - not applicable*

1) 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.

2) It has additional land area for future development (which may be considered for sale) admeasuring approximately 1.76 acres.



## 5. Mindspace Airoli West

Particulars	Units of measure	Details	
<b>Property details</b>			
Type of property		Completed	Under-construction
Leasable area	sq. ft.	34,64,026	10,33,590
Area leased	sq. ft.	25,03,048	45,847
Vacancy	%	27.7%	95.3%
Vacant area	sq. ft.	9,60,978	9,39,966
<b>Key Assumptions</b>			
Achievable Rental per month	INR per sq. ft.	54	54
Rental Growth Rate per annum	%	5.0%	5.0%
Normal Market lease tenure	years	9	9
Construction start date	date	n.a.	01-Oct-17
Construction end date	date	n.a.	30-Jun-21
Capitalisation Rate	%	8.0%	8.0%
Discount Rate	%	11.75%	13.10%

*n.a. - not applicable*

*It has additional land area for future development (which may be considered for sale) admeasuring approximately 16.4 acres.*

## 6. Mindspace Malad, Mumbai

Particulars	Units of measure	Details
<b>Property details</b>		
Type of property		Completed
Leasable area	sq. ft.	7,01,023
Area leased	sq. ft.	6,56,992
Vacancy	%	6.3%
Vacant area	sq. ft.	44,031
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	86
Rental Growth Rate per annum	%	5.0%
Normal Market lease tenure	years	9
Construction start date	date	n.a.
Construction end date	date	n.a.
Capitalisation Rate	%	8.0%
Discount Rate	%	11.75%

*n.a. - not applicable*



## 7. The Square, Bandra Kurla Complex

Particulars	Units of measure	Details
<b>Property details</b>		
Type of property		Completed
Leasable area	sq. ft.	1,15,000
Area leased	sq. ft.	-
Vacancy	%	100.0%
Vacant area	sq. ft.	1,15,000
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	260
Rental Growth Rate per annum	%	5.0%
Normal Market lease tenure	years	9
Construction start date	date	n.a.
Construction end date	date	n.a.
Capitalisation Rate	%	7.75%
Discount Rate	%	11.75%

*n.a. - not applicable*

## 8. Commerzone, Yerwada, Pune

Particulars	Units of measure	Details
<b>Property details</b>		
Type of property		Completed
Leasable area	sq. ft.	16,76,080
Area leased	sq. ft.	16,74,912
Vacancy	%	0.1%
Vacant area	sq. ft.	1,168
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	78
Rental Growth Rate per annum	%	5.0%
Normal Market lease tenure	years	9
Construction start date	date	n.a.
Construction end date	date	n.a.
Capitalisation Rate	%	8.0%
Discount Rate	%	11.75%

*n.a. - not applicable*



## 9. Gera Commerzone, Kharadi, Pune

Particulars	Units of measure	Details		
<b>Property details</b>				
Type of property		Completed	Under-Construction	Future Development
Leasable area	sq. ft.	12,84,467	6,75,617	6,05,500
Area leased	sq. ft.	11,95,418	-	-
Vacancy	%	6.9%	100.0%	100.0%
Vacant area	sq. ft.	89,049	6,75,617	6,05,500
<b>Key Assumptions</b>				
Achievable Rental per month	INR per sq. ft.	78	78	78
Rental Growth Rate per annum	%	5.0%	5.0%	5.0%
Normal Market lease tenure	years	9	9	9
Construction start date	date	n.a.	01-Apr-19	01-Oct-21
Construction end date	date	n.a.	31-Dec-21	31-Dec-23
Capitalisation Rate	%	8.0%	8.0%	8.0%
Discount Rate	%	11.75%	13.10%	13.10%

*n.a. - not applicable*

## 10. The Square, Nagar Road, Pune

Particulars	Units of measure	Details
<b>Property details</b>		
Type of property		Completed
Leasable area	sq. ft.	7,42,822
Area leased	sq. ft.	6,70,041
Vacancy	%	9.8%
Vacant area	sq. ft.	32,781
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	78
Rental Growth Rate per annum	%	5.0%
Normal Market lease tenure	years	9
Construction start date	date	n.a.
Construction end date	date	n.a.
Capitalisation Rate	%	8.0%
Discount Rate	%	11.75%

*n.a. - not applicable*



## 11. Commerzone Porur, Chennai

Particulars	Units of measure	Details
<b>Property details</b>		
Type of property		Completed
Leasable area	sq. ft.	8,09,794
Area leased	sq. ft.	42,567
Vacancy	%	95.9%
Vacant area	sq. ft.	7,67,227
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	63
Rental Growth Rate per annum	%	5.0%
Normal Market lease tenure	years	9
Construction start date	date	01-Jun-17
Construction end date	date	30-Jun-20
Capitalisation Rate	%	8.0%
Discount Rate	%	11.75%

*n.a. - not applicable*

## 12. Mindspace Pocharam, Hyderabad (including land area for future development)

Particulars	Units of measure	Details	
<b>Property details</b>			
Type of property		Completed	OC Not Obtained (UC Building 9)
Leasable area	sq. ft.	3,77,202	1,92,681
Area leased	sq. ft.	3,48,902	-
Vacancy	%	7.6%	100.0%
Vacant area	sq. ft.	28,520	1,92,681
<b>Key Assumptions</b>			
Achievable Rental per month	INR per sq. ft.	22	22
Rental Growth Rate per annum	%	5.0%	5.0%
Normal Market lease tenure	years	9	9
Construction start date	date	n.a.	01-Apr-18
Construction end date	date	n.a.	30-Sep-23
Capitalisation Rate	%	8.5%	8.5%
Discount Rate	%	12.25%	13.60%

*n.a. - not applicable*

*It has additional land area for future development admeasuring approximately 59.0 acres (approximately 40.0 acres out of which may be considered for sale).*