

Independent Auditor's Report

To The Unitholders of Mindspace Business Parks REIT

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Mindspace Business Parks REIT (the "REIT"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Unitholders' Equity for the year then ended, Standalone Statement of Net Assets at fair value as at March 31, 2021 and Standalone Statement of Total Returns at fair value for the year then ended, Statement of Net Distributable Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with the REIT Regulations and other accounting principles generally accepted in India, of the state of affairs of the REIT as at March 31, 2021, and its profit including other comprehensive income, its cash flows, its changes in unitholders' equity for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021, total returns at fair

Key Audit Matter:

Fair Value of investments in special purpose vehicles (SPVs):

In accordance with REIT Regulations, the REIT discloses Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets and liabilities. As at March 31, 2021, the carrying value of total assets was ₹ 177,448 million, out of which carrying value of investments in SPVs was ₹ 153,103 million representing 86% of carrying value of total asset.

The fair value of investments in SPVs is primarily determined basis the fair value of the underlying investment properties as at March 31, 2021.

The fair value of investment properties is determined by an independent valuer using discounted cash flow method and mix of market approach and discounted cash flow method, as applicable.

value and the net distributable cash flows of the REIT for the year ended on that date and other financial information of the REIT.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"), issued by Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibility for the Audit of the Standalone Financial Statements' section of our report. We are independent of the REIT in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter

We draw attention to note 2 which describes the Basis of preparation of standalone financial statements and note 12 which describes the presentation of "Unit Capital" as "Equity" instead of compound financial instrument to comply with the REIT Regulations. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the standalone financial statements of the current period. This matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Auditor's Response:

Principal Audit Procedures Performed:

Our audit procedures related to the forecasted market rent, terminal capitalization rates and discount rate used to determine the fair value of investment properties included the following, among others:

- We obtained the independent valuer's valuation reports to obtain an understanding of the source of information used by the independent valuer in determining these assumptions.
- We tested the reasonableness of inputs shared by management with the independent valuer by comparing it to source information used in preparing the inputs.
- We evaluated the reasonableness of management's forecasted market rent by comparing it with sample of lease agreements for market rentals, and contractual lease escalations.

Key Audit Matter:

While there are several assumptions that are required to determine the fair value of investment properties; assumptions with the highest degree of estimate, subjectivity and impact on fair values are forecasted market rent, terminal capitalization rate and discount rate. Auditing these assumptions required a high degree of auditor judgement as the estimates made by the independent valuer contains significant measurement uncertainty.

Refer Statement of Net assets at fair value and Statement of total returns at fair value and note 4 – Investments in the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- K. Raheja Corp Investment Manager LLP (the 'Investment Manager') acting in its capacity as an Investment Manager of REIT is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Governing Board of the Investment Manager (the "Management") is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, changes in unitholders' equity, net assets at fair value, total returns at fair value and the net distributable cash flows of the REIT in accordance with the REIT Regulations, the Indian Accounting Standards as defined 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. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the REIT and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Response:

- With the assistance of our fair valuation specialist, we evaluated the reasonableness of forecasted market rent, terminal capitalization rates and discount rate by comparing it with market information such as recent market transactions for comparable properties, market surveys by property consultants and broker quotes, as applicable.

In preparing the standalone financial statements, the Governing Board of Investment Manager is responsible for assessing the REIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the REIT or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the financial reporting process of REIT.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the REIT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the REIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone financial statements of the REIT to express an opinion on the standalone financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit and as required by REIT regulations, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows, the Standalone Statement of Changes in Unitholders' Equity, and Statement of Net Distributable Cashflows dealt with by this Report are in agreement with the relevant books of account of the REIT.
- In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT Regulations and other accounting principles generally accepted in India.

for **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Reg. No. 117366W/W-100018)

Nilesh Shah
Partner
(Membership No.49660)
(UDIN: 21049660AAAABP7406)

Place: Mumbai
Date: 14-May-2021

Standalone Balance Sheet

as at 31 March 2021

(All amounts in ₹ million unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Financial assets			
- Investments	4	153,103	-
- Loans	5	21,178	-
- Other financial assets	6	213	-
Other non-current assets	7	4	-
Total non-current assets		174,498	-
Current assets			
Financial assets			
- Cash and cash equivalents	8	2,938	0
- Other financial assets	9	2	-
Other current assets	10	10	-
Total current assets		2,950	0
Total assets		177,448	0
EQUITY AND LIABILITIES			
EQUITY			
Corpus	11	0	0
Unit capital	12	162,839	-
Other equity	13	2,950	(49)
Total equity		165,789	(49)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	14	11,425	-
- Other financial liabilities	15	193	-
Total non-current liabilities		11,618	-
Current liabilities			
Financial liabilities			
- Trade payables	16		
- total outstanding dues of micro and small enterprises; and		-	-
- total outstanding dues of Creditors other than micro and small enterprises.		13	-
- Other financial liabilities	17	19	49
Other current liabilities	18	6	-
Current tax liabilities (net)	19	3	-
Total current liabilities		41	49
Total equity and liabilities		177,448	0
Significant accounting policies	3		
See the accompanying notes to the standalone Financial Statements	4 - 37		

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: 14-May-2021

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

Place: London

Date: 14-May-2021

[Vinod N. Rohira](#)

Chief Executive Officer

DIN: 00460667

Place: Mumbai

Date: 14-May-2021

[Preeti N. Chheda](#)

Chief Financial Officer

DIN: 08066703

Place: Mumbai

Date: 14-May-2021

Standalone Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

	Note	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020*
INCOME AND GAINS			
Interest	20	789	-
Dividend		5,344	-
Other Income	21	12	-
Total Income		6,145	-
EXPENSES			
Valuation expenses		9	-
Audit fees		7	1
Insurance expenses		0	-
Management fees		34	-
Trustee fees		2	-
Legal and professional fees		17	25
Other expenses	22	7	23
Total Expenses		76	49
Earnings/ (loss) before finance costs, depreciation, amortization and tax		6,069	(49)
Finance costs	23	230	-
Depreciation and amortization expense		-	-
Profit/ (loss) before tax		5,839	(49)
TAX EXPENSE:			
Current tax	24	5	-
Deferred tax		-	-
		5	-
Profit/ (loss) for the period / year		5,834	(49)
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability, net of tax		-	-
Total comprehensive income for the period / year		5,834	(49)
Earning per unit			
Basic	25	14.67	Not Applicable
Diluted		14.67	Not Applicable
Significant accounting policies	3		
See the accompanying notes to the Standalone Financial Statements.	4 - 37		

*Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Standalone Statement of Profit and Loss with effect from said period i.e. 18 November 2019 for the year ended 31 March 2020.

As per our report of even date attached.

for [Deloitte Haskins & Sells LLP](#)

Chartered Accountants

Firm's registration number: 117366W/W-100018

[Nilesh Shah](#)

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[Preeti N. Chheda](#)

Chief Financial Officer

DIN: 08066703

Place: Mumbai

Date: 14-May-2021

Standalone Statement of Cash Flow

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020*
Cash flows from operating activities		
Profit/ (loss) before tax	5,839	(49)
Adjustments:		
Interest income	(789)	-
Dividend income	(5,344)	-
Guarantee commission fees	(7)	-
Net gains/(losses) on financial assets at fair value through profit or loss	(3)	-
Gain on redemption of mutual fund units	(2)	-
Finance costs	230	-
Operating cash flows before working capital changes	(76)	(49)
Changes in:		
(Increase) / Decrease in financial and other assets	(13)	-
Increase / (Decrease) in financial and other liabilities	(26)	49
Increase / (Decrease) in Trade payables	12	-
Cash (used in)/ generated from operations	(103)	0
Income taxes paid, net	(3)	-
Net cash generated / (used in) from operating activities	(106)	0
Cash flow from investing activities		
Loans given to SPVs	(26,682)	-
Loans repaid by SPVs	5,504	-
Purchase of Investments (Preference shares)	(334)	-
Investment in mutual fund	(7,525)	-
Proceeds from Redemption of mutual fund	7,527	-
Proceeds from Redemption of Preference shares	337	-
Investment in fixed deposits	(387)	-
Maturity proceeds of fixed deposits	388	-
Dividend received	5,344	-
Interest received	581	-
Net cash (used in) from investing activities	(15,247)	-
Cash flow from financing activities		
Proceeds received as initial corpus	-	0
Proceeds from issue of units	10,000	-
Loans taken from SPV	150	-
Loans repaid to SPV	(150)	-
Collection towards Offer For Sale	35,000	-
Payment to Sponsor Group and Blackstone entities in respect of Offer For Sale	(35,000)	-
Expenses incurred towards Initial Public Offering	(264)	-
Proceeds from issue of debentures	11,500	-
Distribution to unit holders	(2,835)	-
Recovery Expense Fund Deposits	(1)	-
Interest paid	(39)	-
Debentures issue expenses	(70)	-

Standalone Statement of Cash Flow

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020*
Net cash generated from financing activities	18,291	0
Net increase in cash and cash equivalents	2,938	0
Cash and cash equivalents at the beginning of the period / year	0	-
Cash and cash equivalents at the end of the period / year	2,938	0
Cash and cash equivalents comprise:		
Cash on hand	-	-
Balances with banks		
- in current accounts	2,888	0
- in escrow accounts	-	-
Fixed deposits with original maturity less than 3 months	50	-
Cash and cash equivalents at the end of the period / year (refer note 8)	2,938	0

Note: The Trust has issued Units in exchange for investments in SPVs during the quarter ended 30 September 2020. The same has not been reflected in Standalone Statement of Cash Flows during the year ended 31 March 2021 since these were non-cash transactions. (refer note 12(iii))

Significant accounting policies	3
See the accompanying notes to the Standalone Financial Statements.	4-37

*Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Standalone Statement of Cash Flows with effect from said period i.e. 18 November 2019 for the year ended 31 March 2020.

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: 14-May-2021

for and on behalf of the Governing Board of
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[Preeti N. Chheda](#)
Chief Financial Officer
DIN: 08066703

Place: Mumbai
Date: 14-May-2021

Standalone Statement of changes in Unitholder's Equity

for the year ended 31 March 2021

(All amounts in ₹ 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 year	-
Closing balance as at 31 March 2021	0

** Corpus received during the period ₹ 10,000 (Rupees Ten Thousand only)

B. UNIT CAPITAL

	Amount
Balance as on 18 November 2019*	-
Units issued during the year	-
Balance as on 31 March 2020	-
Balance as on 1 April 2020	-
Add: Units issued during the year (refer note 12)	163,080
Less: Issue expenses	(241)
Closing balance as at 31 March 2021	162,839

C. OTHER EQUITY

Particulars	Retained Earnings
Balance as on 18 November 2019*	-
Loss for the period	(49)
Other comprehensive income for the period	-
Balance at 31 March 2020	(49)
Balance as at 1 April 2020	(49)
Profit for the year ended 31 March 2021	5,834
Other comprehensive income for the year	-
***Less: Distribution to Unitholders for the quarter ended 31 December 2020	(2,835)
Closing balance as at 31 March 2021	2,950

*Since Mindspace REIT was registered pursuant to a trust deed dated 18 November 2019, the management has provided the information in Standalone Statement of changes in Unit holder's equity with effect from said period i.e. 18 November 2019 for the year ended 31 March 2020.

***The distributions made by Mindspace REIT to its Unitholders are based on the Net Distributable Cash flows (NDCF) of Mindspace REIT under the REIT Regulations.

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

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[Preeti N. Chheda](#)

Chief Financial Officer

DIN: 08066703

Place: Mumbai

Date: 14-May-2021

Standalone Statement of Net Assets at fair value

as at 31 March 2021

(All amounts in ₹ million unless otherwise stated)

DISCLOSURE PURSUANT TO SEBI CIRCULAR NO. CIR/IMD/DF/146/2016

A) Statement of Net Assets at fair value

S. No.	Particulars	Unit of measurement	As at 31 March 2021	
			Book Value	Fair Value
A	Assets	₹ in million	177,448	211,694
B	Liabilities	₹ in million	11,659	11,659
C	Net Assets (A-B)	₹ in million	165,789	200,035
D	No. of units	Numbers	593,018,182	593,018,182
E	NAV (C/D)	₹	279.57	337.32

Notes:

1) Measurement of fair values:

The fair value of investments in SPVs are computed basis the fair value of the underlying Investment property, Investment property under development, Property, Plant and Equipment and Capital Work-in-progress as at 31 March 2021 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at 31 March 2021. 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 recognized professional qualification and recent experience in the location and category of the properties being valued.

2) Break up of Net asset value as at 31 March 2021

S.No	Particulars	As at 31 March 2021
A	Fair Value of Investments in SPVs	208,527
B	Add: Other assets	3,167
C	Less: Liabilities	(11,659)
D	Net Assets	200,035

3) The Trust holds investment in SPVs which in turn hold the properties. Hence, the breakup of property wise fair values has been disclosed in the Consolidated financial statements.

B) Statement of Total Returns at fair value

S.No	Particulars	For the year ended 31 March 2021
A	Total comprehensive income	5,834
B	Add: Changes in fair value not recognized in the other comprehensive income and other adjustments	2,677
C=(A+B)	Total Return	8,511

Note: Total Return for the purpose of Standalone financials has been considered based on the total return of Mindspace REIT on a consolidated basis adjusted for consolidation adjustments.

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: 14-May-2021

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DIN: 08066703

Place: Mumbai

Date: 14-May-2021

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

NET DISTRIBUTABLE CASH FLOWS (NDCF) PURSUANT TO GUIDANCE UNDER PARAGRAPH 6 TO SEBI CIRCULAR NO. CIR/IMD/DF/146/2016

SI No Particulars	For the year ended 31 March 2021
1 Cash flows received from Asset SPVs including but not limited to:	
• interest	456
• dividends (net of applicable taxes)	5,344
• repayment of REIT Funding	-
• proceeds from buy-backs/ capital reduction (net of applicable taxes)	-
• redemption proceeds from preference shares or any other similar instrument	-
2 Add: Proceeds from sale of investments, assets, sale of shares of Asset SPVs, liquidation of any other asset or investment (incl. cash equivalents) or any form of fund raise at Mindspace REIT level adjusted for the following: ^{(3)&(4)}	7,620
• applicable capital gains and other taxes, if any	-
• debts settled or due to be settled from sale proceeds	-
• transaction costs	(50)
• proceeds re-invested or planned to be reinvested in accordance with the REIT regulations	-
• any acquisition	-
• investments as permitted under the REIT regulations	-
• lending to Asset SPVs	(7,570)
as may be deemed necessary by the Manager	
3 Add: Proceeds from sale of investments, assets or sale of shares of Asset SPVs not distributed pursuant to an earlier plan to re-invest in accordance with the REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4 Add: Any other income received by Mindspace REIT not captured herein	2
5 Less: Any other expenses paid by Mindspace REIT not captured herein	(72)
6 Less: Any expense in the nature of capital expenditure at Mindspace REIT level	-
7 Less: Net debt repayment / (drawdown), redemption of preference shares / debentures / any other such instrument / premiums / any other obligations / liabilities, etc., as maybe deemed necessary by the Manager	-
8 Add/Less: Other adjustments, including but not limited to net changes in security deposits, working capital, etc., as may be deemed necessary by the Manager ^{(5)&(6)}	(24)
9 Less: Interest paid on external debt borrowing at Mindspace REIT level	-
10 Less: Income tax and other taxes (if applicable) at the Standalone Mindspace REIT level	-
Net Distributable Cash Flows (NDCF)	5,706

Notes:

1 The Governing Board of the Manager to the Trust, in their meeting held on 14 May 2021, has declared distribution to unitholders of ₹ 4.81 per unit which aggregates to ₹ 2,852 million for the quarter ended 31 March 2021. The distributions of ₹ 4.81 per unit comprises ₹ 4.44 per unit in the form of dividend and ₹ 0.37 per unit in the form of interest payment.

Along with distribution of ₹ 4.78 per unit for the quarter ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to ₹ 9.59 per unit. The distribution of ₹ 9.59 per unit comprises ₹ 8.69 per unit in the form of dividend and ₹ 0.90 per unit in the form of interest payment.

2 Statement of Net Distributable Cash Flows have been disclosed from 1 October 2020 since the first distribution of the REIT as stated in the Final Offer Document was made upon completion of the first full quarter after the listing of the Units on the Stock Exchanges i.e. 31 December 2020.

3 Lending to SPVs from fund raised at REIT level prior to 1 October 2020 has been excluded for the purpose of NDCF calculation.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

- 4 Repayment of REIT funding which is further lent to SPVs has been captured under “Liquidation of assets”
- 5 Lending to and repayment from SPVs within the same quarter has been adjusted under “Other Adjustments”
- 6 Borrowing from and repayment to SPVs within the same quarter has been adjusted under “Other Adjustments”

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: 14-May-2021

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

Place: London

Date: 14-May-2021

[Vinod N. Rohira](#)

Chief Executive Officer

DIN: 00460667

Place: Mumbai

Date: 14-May-2021

[Preeti N. Chheda](#)

Chief Financial Officer

DIN: 08066703

Place: Mumbai

Date: 14-May-2021

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

1 MINDSPACE REIT BACKGROUND

Mindspace Business Parks REIT ('Mindspace REIT') was settled on 18 November 2019 at Mumbai, Maharashtra, India as a contributory, determinate and irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to a trust deed dated 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 issued at ₹ 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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 7 August 2020.

Accordingly, the equity interest in each of the below SPVs have been transferred from the respective shareholders to 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 equity 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	Equity Shareholding (in percentage) upto 30 July 2020	Equity Shareholding (in percentage) as at 31 March 2021
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 REIT: 100%

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Name of the SPV	Activities	Equity Shareholding (in percentage) upto 30 July 2020	Equity Shareholding (in percentage) as at 31 March 2021
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 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%) 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. (14.95%) 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. (14.95%) 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 (8.22%) Chandru L Raheja jointly with Jyoti C. Raheja (6.00%) 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 (14.95%) BREP VIII SBS Pearl Holding (NQ) Ltd (0.02%) BREP ASIA SBS Pearl Holding (NQ) Ltd. (0.03%)	MindSpace REIT: 100%

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Name of the SPV	Activities	Equity Shareholding (in percentage) upto 30 July 2020	Equity Shareholding (in percentage) as at 31 March 2021
Horizonview	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 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 (14.95%) Others (0.57%)	Mindspace REIT: 100%

2 BASIS OF PREPARATION

The Standalone Financial Statements of Mindspace Business Parks REIT comprise the Standalone Balance Sheet as at 31 March 2021, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow for the year ended 31 March 2021, the Standalone Statement of Changes in Unitholders Equity for the year ended 31 March 2021, the Statement of Net Distributable Cashflows of Mindspace REIT for the year ended 31 March 2021, the Statement of Total Returns at Fair Value for the year ended 31 March 2021, the Statement of Net Assets at Fair Value as at 31 March 2021 and a summary of the significant accounting policies and select explanatory information and other additional financial disclosures.

The Standalone financial statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations"); Indian Accounting Standards as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with the REIT regulations (refer note 12 on presentation of "Unit Capital" as "Equity" instead of compound instruments under Ind AS 32 – Financial Instruments: Presentation), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

The Standalone Financial Statements are authorized for issue in accordance with resolution passed by the Governing Board of the Manager on behalf of Mindspace REIT on 14 May 2021.

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

Statement of compliance to Ind-AS

These Standalone financial statements for the year ended 31 March 2021 have been prepared in accordance with the REIT regulations; Indian Accounting Standards 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 as more fully described above and note 12 to the standalone financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

a) Functional and Presentation Currency

The Standalone Financial Statements are presented in Indian Rupees, which is also 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 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 Standalone 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 recognized 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 recognized in the Standalone Financial Statements is included in the following notes:

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

- (i) Presentation of “Unit Capital” as “Equity” in accordance with the REIT Regulations instead of compound instrument (note no 12)
- (ii) Impairment and Fair valuation of Investments in SPVs.
- (iii) Recognition and measurement of provisions for contingencies and disclosure of contingent liabilities (note 31 (a))

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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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.

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 realization 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 categorized 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 categorized 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 recognized whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognized in the 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

3.2 Asset Acquisition

If the acquisition of an asset or a group of assets does not constitute a business, Mindspace REIT identifies and recognizes 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 recognized.

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, Mindspace REIT initially measures that asset or liability at the amount specified in the applicable Ind AS Standard. 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 recognized in the 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 recognized in the 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 amortized 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 recognized 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 recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized 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 recognized 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 recognized in the Standalone Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income in which case, the current and deferred tax are also recognized 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

Deferred tax asset/ liability is recognized on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

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 realized 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 recognized when 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 recognized 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 recognized 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 recognized 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 recognized immediately in the Statement of Profit and Loss.

2 Financial assets:

a) Classification of financial assets:

- (i) 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 amortized cost.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

- (ii) The classification is done depending upon Mindspace REIT 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) 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 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 amortized cost

Financial assets are subsequently measured at amortized 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 amortized 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 recognized in the Statement of Profit and Loss.

c) Impairment of financial assets:

The Mindspace Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized 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 derecognized 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 recognized in Statement of Profit and Loss. Any interest in transferred financial assets that is created or retained by Mindspace REIT is recognized 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 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 amortized 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

financial liabilities depends on their classification as fair value through the Statement of Profit and Loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Statement of Profit and Loss. Amortized cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortized 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 Statement of Profit and Loss when the liabilities are derecognized.

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 recognized 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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract are measured initially at the fair value and in accordance with Ind AS 109 unless on a case to case basis company elects to account for financial guarantee as Insurance Contracts as specified under Ind AS 104.

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

Interest income is recognized 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 amortized 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 capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Interest expense is recognized 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 amortized cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortized 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

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

3.16 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 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

they are considered an integral part of the Trust's cash management.

3.17 Subsequent events

The 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 authorization. Therefore, when preparing the Financial Statements, management considers events up to the date of authorization 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, amortization and income tax

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

3.21 Applicability of new and revised Ind AS:

New and amended standards adopted by the Mindspace REIT.

Mindspace REIT has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

3.22 Distributions

The Net Distributable Cash Flows of Mindspace REIT are based on the cash flows generated from Mindspace REIT's assets and investments.

In terms of the Distribution Policy and the REIT Regulations, not less than 90% of the NDCF of each of the Asset SPVs is required to be distributed to Mindspace REIT, in proportion of their shareholding in the Asset SPV, subject to applicable provisions of the Companies Act. Presently, NDCF to be received by Mindspace REIT from the Asset SPVs may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from the Asset SPVs, sale proceeds out of disposal of investments if any or assets directly held by Mindspace REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the applicable law.

The Manager is required to and shall declare and distribute at least 90% of the NDCF of Mindspace REIT as distributions ("REIT Distributions") to the Unitholders. Such REIT Distributions shall be declared and made for every quarter of a Financial Year.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

4 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted Investments in SPVs (at cost) (refer note below)		
- 39,75,000 (31 March 2020: Nil) equity shares of Avacado Properties and Trading Private Limited of ₹ 10 each, fully paid up	9,482	-
- 11,765 (31 March 2020: Nil) equity shares of Horizonview Properties Private Limited of ₹ 10 each, fully paid up	0	-
- 5,88,235 (31 March 2020: Nil) equity shares of KRC Infrastructure And Projects Private Limited of ₹ 10 each, fully paid up	6,868	-
- 1,96,01,403 (31 March 2020: Nil) equity shares of Gigaplex Estate Private Limited of ₹ 1 each, fully paid up	13,121	-
- 2,50,71,875 (31 March 2020: Nil) equity shares of Sundew Properties Limited of ₹ 10 each, fully paid up	33,722	-
- 12,03,033 (31 March 2020: Nil) equity shares of Intime Properties Limited of ₹ 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 ₹ 10 each, fully paid up	25,618	-
- 81,513 (31 March 2020: Nil) equity shares of Mindspace Business Parks Private Limited of ₹ 10 each, fully paid up	48,814	-
Total	153,103	-

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

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

Name of SPVs	Ownership Interest	
	31 March 2021	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)

5 LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loan to SPVs- refer note 28	21,178	-
	21,178	-

Note: Mindspace REIT has given loan amounting ₹ 26,682 million during the year ended 31 March 2021 (31 March 2020 ₹ Nil) to Gigaplex, Avacado, Horizonview, KRC Infra, MBPPL and Sundew and the outstanding balance as at end of 31 March 2021 is ₹ 21,178 million (31 March 2020 ₹ Nil).

Security: Unsecured

Interest: 7.55% - 8.75% per annum for the financial year ending 31 March 2021 in accordance with interest rate policy as adopted by Mindspace REIT.

Terms of repayment:

- Bullet repayment of ₹ 9,728 million on date falling 15 years from the first disbursement date or such other date as may be mutually agreed between the Lender and the Borrower in writing.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

- b) Bullet repayment of ₹ 5,000 million is due on 29 April 2022.
- c) Bullet repayment of ₹ 4,470 million is due on 17 May 2024.
- d) Bullet repayment ₹ 1,980 million is due on 16 December 2023.
- e) At any time prior to the repayment date, the Borrower may on any date, prepay the whole or any part of the loan outstanding.

6 OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest receivable on loan to SPVs	205	-
Other Receivables from related parties	8	-
	213	-

7 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid Expenses	4	-
	4	-

8 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	-
Balances with banks		
- in current accounts	2,888	0
- fixed deposits with original maturity less than 3 months	50	-
	2,938	0

9 OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Interest receivable on loan to SPVs	2	-
	2	-

10 OTHER CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Advance for supply of goods and rendering of services	6	-
Deposits	1	-
Prepaid Expenses	2	-
Balances with government authorities	1	-
	10	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

11 CORPUS

Corpus	Amount
As at 18 November 2019	-
Corpus received during the period*	0
As at 31 March 2020	0
As at 1 April 2020	0
Additions during the year	-
Closing Balance as at 31 March 2021	0

* Corpus received during the period ₹ 10,000 (Rupees Ten Thousand only)

12 UNIT CAPITAL

Unit Capital	No.	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 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 (refer note below)	-	(241)
Closing Balance as at 31 March 2021	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 the Trust at least once in every six months in each financial year in accordance with the REIT Regulations. The Governing Board of the Investment Manager approves distributions. The distribution will be in proportion to the number of Units held by the Unitholders. Mindspace REIT declares and pays distributions in Indian Rupees.

Under the provisions of the REIT Regulations, Mindspace REIT is required to distribute to Unitholders not less than 90% of the net distributable cash flows of Mindspace REIT for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Mindspace REIT to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contains 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 presented as "Equity" in order to comply with the requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Governing Board of the Investment Manager.

- (ii) Initial Public Offering of 36,363,600 units for cash at price of ₹ 275 per unit aggregating to ₹ 10,000 million.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

- (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 556,654,582 units of ₹ 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
Total number of Units issued	474,897,081	81,757,501	556,654,582

(b) Unitholders holding more than 5 percent Units in Mindspace REIT (other than Sponsor and Sponsor Group)

Name of the unitholder	As at 31 March 2021	
	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 registration till the balance sheet date, except as disclosed above.

13 OTHER EQUITY

Particulars	As at 31 March 2021	As at 31 March 2020
Reserves and Surplus		
Retained earnings*	2,950	(49)
	2,950	(49)

*Refer Standalone 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 year, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.

14 BORROWINGS

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
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 Series 1") (net of issue expenses, at amortized cost) (31 March 2020: Nil) (refer note 1)	4,975	-
10 year G-Sec linked secured, listed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures ("Market Linked Debentures / MLD Series 2") (net of issue expenses, at amortized cost) (31 March 2020: Nil) (refer note 2)	3,719	-
Secured, listed, senior, taxable, non-cumulative, rated, redeemable non-convertible debentures (NCD Series 1) (net of issue expenses, at amortized cost) (31 March 2020: Nil) (refer note 3)	1,981	-
Secured, listed, senior, taxable, non-cumulative, rated, redeemable non-convertible debentures (NCD Series 2) (net of issue expenses, at amortized cost) (31 March 2020: Nil) (refer note 4)	750	-
	11,425	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Note 1:

In September 2020, Mindspace REIT 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 Series 1”) having face value of ₹ 10,00,000 (Rupees ten lakhs only) each, amounting to ₹ 500,00,00,000 (Rupees five hundred crores only). The tenure of the said MLD Series 1 is 577 days from 29 September 2020, being date of allotment of the MLD Series 1 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 year 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 year 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 MLD Series 1, 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.

This MLD Series 1 was listed on BSE Limited on 13 October 2020.

Security terms

MLD Series 1 are secured by each of the following security in favour of the Debenture Trustee (holding for the benefit of the Debenture Holders):

- First and exclusive charge registered by way of 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”) of MLD Series 1.
- A charge on the escrow account in which receivables of the Mortgaged Properties of MBPPL shall be received.
- Corporate guarantee executed by MBPPL.

Redemption terms:

- MLD Series 1 are redeemable by way of bullet payment at the end of 577 days from the date of allotment, i.e. 29 April 2022.
- 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 Series 1 if the rating is downgraded to A+.
- 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, all the Debentures then outstanding by paying an amount equal to the total mandatory redemption amount in respect of each Debenture.

- Details of disclosure required as per SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 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 Series 1”)	Secured	Not Applicable	Not Applicable	On Maturity	On Maturity

- Rating agency CRISIL has assigned a rating of “CRISIL PP-MLD AAAr/Stable” to MLD Series 1 of the issuer / Mindspace REIT. Subsequently there is no change in the credit rating.

Note 2:

In March 2021, Mindspace REIT issued 3,750 10 year G-Sec linked secured, listed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures (“Market Linked Debentures / MLD Series 2”) having face value of ₹ 10,00,000 (Rupees ten lakhs only) each, amounting to ₹ 375,00,00,000 (Rupees three hundred seventy five crores only). The tenure of the said MLD Series 2 is 38 months from 18 March 2021, being date of allotment of the MLD Series 2 and coupon, if any shall be payable on the Scheduled Redemption Date i.e. on maturity on 17 May 2024. The coupon payoff structure is linked to condition where the payoff will be fixed on the final fixing date i.e. 16 April 2024. If identified 10 year 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. 18 March 2021, the coupon rate will be 6.65% p.a. If identified 10 year G-Sec’s last traded price as on final fixing date is less than or

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

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 MLD Series 2, 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.

This MLD Series 2 was listed on BSE Limited on 22 March 2021.

Security terms

MLD Series 2 are secured by each of the following security in favour of the Debenture Trustee (holding for the benefit of the Debenture Holders):

- a) First and exclusive charge being created by way of equitable mortgage on the aggregate leasable area of approximately 13,71,442 Sq. Ft. or thereabouts in buildings no. 12A and Units of Building 12B of Madhapur, Hyderabad (approx. 12,69,140 sq. ft. in building no. 12A and approx. 1,02,302 sq. ft. in building no. 12B) together with the proportionate undivided right, title and interest in the notionally demarcated land admeasuring approximately 29,842 sq. mtrs on which the said two building no.12A and 12B, out of all those pieces and parcels of larger land that are situated, lying and being in Madhapur Village, Serilingampally Mandal, Ranga Reddy District, Hyderabad ("Mortgaged Properties"), for MLD Series 2.

- b) First ranking exclusive charge to be created by way of a hypothecation over the Hypothecated Properties of MLD Series 2.

- c) A charge on the escrow account to be created, in which receivables of the Mortgaged Properties of Sundew shall be received, save and except any common area maintenance charges payable to Sundew with respect to the maintenance of the mortgaged properties.

- d) Corporate guarantee executed by Sundew.

Redemption terms:

- a) MLD Series 2 are redeemable by way of bullet payment at the end of 38 months from the date of allotment, i.e. 17 May 2024.

- b) 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 Series 2 if the rating is downgraded to A+.

- c) 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, all the Debentures then outstanding by paying an amount equal to the total mandatory redemption amount in respect of each Debenture.

- d) Details of disclosure required as per SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 are as follows:

Particulars	Secured / Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
10 year G-Sec linked secured, listed, senior, taxable, non-cumulative, rated, principal protected – market linked, redeemable, non-convertible debentures ("Market Linked Debentures / MLD Series 2")	Secured	Not Applicable	Not Applicable	On Maturity	On Maturity

- e) Rating agency CRISIL has assigned a rating of "CRISIL PP-MLD AAAr/Stable" to MLD Series 2 of the issuer / Mindspace REIT. Subsequently there is no change in the credit rating.

Note 3:

In December 2020, Mindspace Business Parks REIT issued 2,000 secured, listed, senior, taxable, non-cumulative, rated, redeemable, non-convertible debentures ("NCD Series 1") having face value of ₹ 10,00,000 (Rupees ten lakhs only) each, amounting to ₹ 200,00,00,000 (Rupees two hundred crores only) with a coupon rate of 6.45% p.a. payable quarterly beginning from the end of first full quarter from the date of allotment i.e. 31 March 2021, with last coupon payment on the scheduled redemption date i.e. 16 December 2023. The tenure of the said NCD Series 1 is 36 months from 17 December 2020, being date of allotment.

This NCD Series 1 was listed on BSE Limited on 21 December 2020.

Security terms

NCD Series 1 are secured by each of the following security in favour of the Debenture Trustee (holding for the benefit of the NCD Holders):

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

- a) First and exclusive charge registered by way of simple mortgage (including receivables arising therefrom) on the aggregate leasable area of approximately 414,599 Sq. Ft. or thereabouts in buildings no. 1 and 5 of Commerzone Yerawada (approx. 43,200 sq. ft. in building no. 1 and approx. 371,399 in building no. 5) together with the proportionate undivided right, title and interest in the notionally demarcated land admeasuring approximately 18,264.86 sq. mtrs on which the said two building no. 1 and 5, out of all those pieces and parcels of larger land that are situated, lying and being in Village Yerawada, Taluka Haveli, District Pune ("Mortgaged Properties") of NCD Series 1.
- b) A charge on the escrow account in which receivables of the Mortgaged Properties shall be received save and except any common area maintenance charges payable to MBPPL with respect to the maintenance of the mortgaged properties.
- c) Corporate guarantee executed by MBPPL.
- e) Details of disclosure required as per SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 are as follows:

Particulars	Secured / Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Secured, listed, senior, taxable, non-cumulative, rated, redeemable non-convertible debentures (NCD Series 1)	Secured	On Maturity	31 March 2021	On Maturity	30 June 2021

- f) Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to the NCD Series 1 of the issuer / Mindspace REIT. Subsequently there is no change in the credit rating.

Note 4:

In March 2021, Mindspace Business Parks REIT issued 750 secured, listed, senior, taxable, non-cumulative, rated, redeemable, non-convertible debentures ("NCD Series 2") having face value of ₹ 10,00,000 (Rupees ten lakhs only) each, amounting to ₹ 75,00,00,000 (Rupees seventy five crores only) with a coupon rate of 6.69% p.a. payable quarterly beginning from the end of first full quarter from the date of allotment i.e. 30 June 2021, with last coupon payment on the scheduled redemption date i.e. 17 May 2024. The tenure of the said NCD Series 2 is 38 months from 18 March 2021, being date of allotment.

NCD Series 2 was listed on BSE Limited on 22 March 2021.

Security terms

NCD Series 2 are secured by each of the following security in favour of the Debenture Trustee (holding for the benefit of the NCD Holders):

- a) First and exclusive charge being registered by way of simple mortgage (including receivables arising therefrom) on the aggregate leasable area of approximately 151,460 Sq. Ft. or thereabouts in building no. 4 of Commerzone Yerawada together with the proportionate undivided right, title and interest in the notionally demarcated land admeasuring approximately 9,561 sq. mtrs on which the said building, out of all those pieces and parcels of larger land that are situated, lying and being in Village Yerawada, Taluka Haveli, District Pune ("Mortgaged Properties") of NCD Series 2.
- b) A charge on the escrow account to be created, in which receivables of the Mortgaged Properties shall be received, save and except any common area maintenance charges payable to MBPPL with respect to the maintenance of the mortgaged properties.
- c) Corporate guarantee executed by MBPPL.

Redemption terms:

- a) NCD Series 1 are redeemable by way of bullet repayment at the end of 36 months from the date of allotment, i.e. 16 December 2023.
- b) Interest is payable on the last day of each financial quarter in a year (starting from 31 March, 2021) until the scheduled redemption date.
- c) 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.
- d) 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, all the debentures then outstanding by paying an amount equal to the total mandatory redemption amount in respect of each debenture.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Redemption terms:

- NCD Series 2 are redeemable by way of bullet repayment at the end of 38 months from the date of allotment, i.e. 17 May 2024.
- Interest is payable on the last day of each financial quarter in a year (starting from 30 June, 2021) until the scheduled redemption date.
- 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.
- 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, all the debentures then outstanding by paying an amount equal to the total mandatory redemption amount in respect of each debenture.
- Details of disclosure required as per SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 are as follows:

Particulars	Secured / Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Secured, listed, senior, taxable, non-cumulative, rated, redeemable non-convertible debentures (NCD Series 2)	Secured	Not Applicable	Not Applicable	On Maturity	30 June 2021

- Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to the NCD Series 2 of the issuer / Mindspace REIT. Subsequently there is no change in the credit rating.

Other requirements as per SEBI circular (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 year ended 31 March 2021
Security / Asset cover (MLD Series 1)(refer a below)	2.20
Security / Asset cover (NCD Series 1)(refer b below)	2.34
Security / Asset cover (MLD Series 2)(refer c below)	2.34
Security / Asset cover (NCD Series 2)(refer d below)	2.40
Debt-equity ratio (refer e below)	0.07
Debt-service coverage ratio (refer f below)	26.40
Interest-service coverage ratio (refer g below)	26.40
Net worth (₹ in million) (refer h below)	165,789

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

- Security / Asset cover ratio (MLD Series 1) = Fair value of the secured assets as on 31 March 2021 as computed by independent valuer / (Outstanding principal amount of MLDs + Interest accrued thereon)
- Security / Asset cover ratio (NCD Series 1) = Lower of Fair value of the secured assets as on 31 March 2021 as computed by two independent valuers / (Outstanding principal amount of NCDs + Interest accrued thereon)
- Security / Asset cover ratio (MLD Series 2) = Fair value of the secured assets as on 31 March 2021 as computed by independent valuer / (Outstanding principal amount of MLDs + Interest accrued thereon)
- Security / Asset cover ratio (NCD Series 2) = Fair value of the secured assets as on 31 March 2021 as computed by independent valuer / (Outstanding principal amount of NCDs + Interest accrued thereon)
- Debt equity ratio = Borrowings / Total Equity
- Debt Service Coverage Ratio = Earnings before interest, depreciation and tax/ (Interest expenses + Principal repayments made during the period)
- Interest Service Coverage Ratio = Earnings before interest, depreciation and tax/ Interest expenses
- Net worth = Corpus + Unit capital + Other equity

Borrowings = Non current borrowings + Current borrowings + Current maturities of long-term borrowings + Interest accrued

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Movement of borrowings (secured)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	-	-
Add: Drawdown made during the year	11,650	-
Less: Repayment during the year (Including Interest)	(189)	-
Add: Interest Expense for the year	226	-
Less: Transaction cost	(79)	-
Add: Unwinding transaction cost for the year	4	-
Closing Balance	11,612	-

15 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due on debentures	185	-
Other payables to related party	8	-
	193	0

Current liabilities

16 TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payable		
- Total outstanding dues to micro and small enterprises	-	-
- Total outstanding dues other than micro and small enterprises	13	-
	13	-

Notes:

- All the trade payables are current in nature. The Trust's exposure to currency and liquidity risks related to trade payables is disclosed in note 32.
- The Trust does not have any dues of principal or interest to micro and small enterprises as at 31 March 2021 and 31 March 2020.

17 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due on debentures	2	-
Other liabilities		
- to related party*	17	49
- to others	-	-
	19	49

* Expense of ₹ 17 million is payable to the Manager for Mindspace REIT Management Fees.

18 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	6	-
	6	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

19 CURRENT TAX LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Income Tax (Net of Advance Tax)	3	-
	3	-

20 INTEREST INCOME

Particulars	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Interest income		
- on fixed deposits	1	-
- on loans given to SPVs (refer note 28)	788	-
	789	-

21 OTHER INCOME

Particulars	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Guarantee Commission Fees	7	-
Net gains/(losses) on financial assets at fair value through profit or loss*	3	-
Gain on redemption of mutual fund units	2	-
	12	-

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

22 OTHER EXPENSES

Particulars	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Bank charges	1	-
Filing and stamping fees	3	15
Royalty Charges	1	8
Marketing and advertisement expenses	0	-
Brokerage Expenses	1	-
Miscellaneous expenses	1	-
	7	23

23 FINANCE COSTS

Particulars	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Interest expense on debentures (refer note 14)	228	-
Interest expense on loans taken from SPV (refer note 28)	2	-
	230	-

24 TAX EXPENSE

Particulars	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Current tax	5	-
	5	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Profit / (Loss) before tax	5,839	(49)
Domestic tax rate	42.74%	42.74%
Tax using the Mindspace REIT domestic tax rate	2,495	-
Effect of exempt incomes	(2,621)	-
Effect of non-deductible expenses	131	-
Tax expense	5	-

25 EARNINGS PER UNIT (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year. Diluted EPU amounts are calculated by dividing the profit attributable to unit holders by the weighted average number of units outstanding during the year 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 year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Profit / (loss) after tax for calculating basic and diluted EPU	5,834	(49)
Weighted average number of Units (Nos)	397,555,169	Not Applicable
Earnings Per Unit		
- Basic (Rupees/unit)	14.67	Not Applicable
- Diluted (Rupees/unit)*	14.67	Not Applicable

*Mindspace REIT does not have any outstanding dilutive units

26 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. The REIT Management fees accrued for the year ended 31 March 2021 are ₹ 34 million. There are no changes during the year in the methodology for computation of fees paid to the Manager.

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 and carrying amounts of Loans given, Investments 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 the Company. 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 Mindspace REIT will continue to monitor developments to identify significant impacts, if any, on the operations.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

28 RELATED PARTY DISCLOSURES

A Parties to Mindspace REIT as at 31 March 2021

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		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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Sl. No.	Particulars	Name of Entities	Promoters/Partners*	Directors
14		Inorbit Malls (India) Private Limited (till 30 July 2020)	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 Ivory Properties & Hotels Pvt Ltd K Raheja Corp Private Limited	Ravi C. Raheja Neel C. Raheja Sunil Hingorani
15		Ivory Properties and Hotels Private Limited (till 30 July 2020)	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	Ravi C. Raheja Neel C. Raheja Vinod Rohira Ramesh Valecha
16		K Raheja Private Limited (till 30 July 2020)	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	Ravi C. Raheja Neel C. Raheja Vinod Rohira
17		Ivory Property Trust	Chandru L. Raheja Jyoti C. Raheja Ivory Properties & Hotels Pvt Ltd Ravi C. Raheja Neel C. Raheja (all are trustees)	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Sl. No.	Particulars	Name of Entities	Promoters/Partners*	Directors
18		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, on behalf of the beneficiaries of Ivory Property Trust.	Ravi C. Raheja Neel C. Raheja Ramesh Valecha
19	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. (upto 19 February 2021) 10. Educator Protech Private Limited (upto 19 February 2021) 11. Happy Eastcon Private Limited (upto 4 February 2021) 12. Sampada Eastpro Private Limited (upto 17 March 2021)		
20	Governing Board and Key Managerial Personnel of the Manager (K Raheja Corp Investment Managers LLP)	Governing Board Mr. Deepak Ghaisas Ms. Manisha Girotra Mr. Bobby Parikh Mr. Alan Miyasaki Mr. Ravi C. Raheja Mr. Neel C. Raheja Key Managerial Personnel Mr. Vinod Rohira Ms. Preeti Chheda		
21	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 Gencoval Strategic Services Private Limited Stemade Biotech Private Limited Hariom Infracilities Services Private Limited M/s Bobby Parikh & Associates		

* only when acting collectively

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

B Transactions during the year

	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Unsecured loans given to		
Avacado Properties and Trading Pvt. Ltd.	4,498	-
Gigaplex Estate Private Limited	6,924	-
Horizonview Properties Pvt. Ltd.	4,490	-
Sundew Properties Limited	4,620	-
KRC Infrastructure and Projects Private Limited	2,080	-
Mindspace Business Parks Private Limited	4,070	-
Unsecured loans taken from		
Intime Properties Limited	150	-
Investment in preference shares		
Mindspace Business Parks Private Limited	334	-
Redemption of investment in preference shares		
Mindspace Business Parks Private Limited	337	-
Unsecured loans repaid by		
Avacado Properties and Trading Pvt. Ltd.	400	-
Gigaplex Estate Private Limited	2,104	-
Mindspace Business Parks Private Limited	1,300	-
Sundew Properties Limited	480	-
KRC Infrastructure and Projects Private Limited	1,220	-
Unsecured loans repaid to		
Intime Properties Limited	150	-
Investment in equity share of SPVs		
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	-
Trustee fee expenses		
Axis Trustee Services Limited	2	-
Dividend Income		
Intime Properties Limited	925	-
Sundew Properties Limited	1,257	-
K. Raheja IT Park (Hyderabad) Limited	1,202	-
Mindspace Business Parks Private Limited	1,960	-
Interest Income		
Avacado Properties and Trading (India) Private Limited	205	-
Gigaplex Estate Private Limited	257	-
Horizonview Properties Private Limited	222	-
KRC Infrastructure and Projects Private Limited	19	-
Sundew Properties Limited	23	-
Mindspace Business Parks Private Limited	62	-
Interest Expense		
Intime Properties Limited	2	-
Gain on Redemption of Preference Shares		
Mindspace Business Parks Private Limited	3	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

	For the year ended 31 March 2021	From 18 November 2019 to 31 March 2020
Royalty Charges		
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
Reimbursement of Expenses		
K Raheja Corp Investment Managers LLP*	61	41
*Includes fees paid to M/s Bobby Parikh & Associates amounting to ₹ 0.48 million for the year ended 31 March 2021 and ₹ 1 million for the year ended 31 March 2020.		
Investment Management Fees		
K Raheja Corp Investment Managers LLP	34	-
Payment to Sponsor Group in relation to Offer for Sale		
Chandru L Raheja	10	-
Jyoti C Raheja	1,139	-
Ravi C Raheja	1,180	-
Neel C Raheja	1,180	-
Genext Hardware & Parks Private Limited	958	-
Inorbit Malls (India) Private Limited	1,506	-
Ivory Properties And Hotels Private Limited	3,387	-
Ivory Property Trust	10,357	-
K. Raheja Corp Private Limited	4,304	-
K. Raheja Private Limited	2,852	-
Guarantee commission fees from SPV		
KRC Infrastructure and Projects Private Limited	6	-
Horizonview Properties Private Limited	1	-
Guarantee commission fees to SPV		
Sundew Properties Limited	0	0
Mindspace Business Parks Pvt Ltd	9	-
Initial receipt from Co-sponsor - received		
Anbee Constructions LLP	-	0
Cape Trading LLP	-	0
Issue of Unit capital		
Anbee Constructions LLP	9,736	-
Cape Trading LLP	9,736	-
Capstan Trading LLP	11,301	-
Casa Maria Properties LLP	11,301	-
Chandru L. Raheja	8,984	-
Genext Hardware & Parks Private Limited	7,274	-
Inorbit Malls (I) Private Limited	1,541	-
Ivory Properties & Hotels Private Limited	3,466	-
Ivory Property Trust	13,008	-
Jyoti C. Raheja	3,912	-
K Raheja Corp Private Limited	14,468	-
K Raheja Private Limited	2,918	-
Neel C. Raheja	5,845	-
Palm Shelter Estate Development LLP	11,301	-
Raghukool Estate Development LLP	9,958	-
Ravi C. Raheja	5,846	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

C Closing Balances

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured loan receivable (non-current)		
Mindspace Business Parks Private Limited	2,770	-
Avacado Properties and Trading (India) Private Limited	4,098	-
Gigaplex Estate Private Limited	4,820	-
KRC Infrastructure and Projects Private Limited	860	-
Sundew Properties Limited	4,140	-
Horizonview Properties Private Limited	4,490	-
Investment in equity shares of SPVs		
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	-
Interest receivable (non current)		
Mindspace Business Parks Private Limited	16	-
Gigaplex Estate Private Limited	94	-
Sundew Properties Limited	11	-
Avacado Properties and Trading (India) Private Limited	84	-
Interest receivable (current)		
Mindspace Business Parks Private Limited	2	-
Guarantee commission fees receivable (non current)		
KRC Infrastructure and Projects Private Limited	7	-
Horizonview Properties Private Limited	1	-
Other Financial Liabilities (non current)		
Sundew Properties Limited	0	-
Mindspace Business Parks Private Limited	8	-
Other Financial Liabilities (current)		
K Raheja Corp Investment Managers LLP	17	49
Co-Sponsor Initial Corpus		
Anbee Constructions LLP	0	0
Cape Trading LLP	0	0
Corporate guarantees outstanding		
Horizonview Properties Private Limited	689	-

Note: Mindspace REIT is in process of executing the corporate guarantees given to the financial institutions amounting to ₹ 13,086 million as on balance sheet date for the loan facilities availed by the SPVs.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

29 DETAILS OF UTILIZATION OF PROCEEDS OF IPO ARE AS FOLLOWS:

Objects of the issue as per the prospectus	Proposed utilization	Actual utilization upto 31 March 2021	Unutilized amount as at 31 March 2021
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	366	Refer note
Total	10,000	10,000	-

Note: ₹ 300 million is used in excess for providing loans to Asset SPVs for the purpose of repayment of debt facilities of the SPVs.

30 DETAILS OF UTILIZATION OF PROCEEDS OF DEBENTURES ARE AS FOLLOWS:

Objects of the issue as per the Issue memorandum	Proposed utilization	Actual utilization upto 31 March 2021	Unutilized amount as at 31 March 2021
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.	11,500	11,498	2
Total	11,500	11,498	2

31 COMMITMENTS AND CONTINGENCIES

a) Contingent Liabilities

Mindspace REIT has provided corporate guarantees for loans availed by Horizonview and the outstanding amount is ₹ 689 million.

Mindspace REIT is in process of executing corporate guarantees as on balance sheet date for loans availed by SPVs amounting to ₹ 13,086 million.

b) Statement of capital and other commitments

- There are no capital commitments as at 31 March 2021 and 31 March 2020.
- Mindspace REIT is committed to provide financial support to some of its SPVs to ensure that these entities operate on going concern basis and are able to meet their debts and liabilities as they fall due.

32 FINANCIAL INSTRUMENTS:

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

Particulars	Carrying value	Fair Value	Carrying value	Fair Value
	31 March 2021	31 March 2021	31 March 2020	31 March 2020
Financial assets				
Fair value through profit and loss	-	-	-	-
Fair value through other comprehensive income	-	-	-	-
Amortized cost				
Loans	21,178	-	-	-
Cash and cash equivalents	2,938	-	0	-
Other financial assets	215	-	-	-
Total assets	24,331	-	0	-
Financial liabilities				
Fair value through profit and loss	-	-	-	-
Fair value through other comprehensive income	-	-	-	-
Amortized cost				
Borrowings	11,425	-	-	-
Other financial liabilities	212	-	49	-
Trade payables	13	-	-	-
Total liabilities	11,650	-	49	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

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

(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) recognized and measured at fair value

b) measured at amortized cost and for which fair values are disclosed in the Standalone financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, Mindspace REIT 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 - 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).

(c) Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

Particulars	Total	Level 1	Level 2	Level 3
Financial assets & liabilities measured at fair value	-	-	-	-

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

Particulars	Total	Level 1	Level 2	Level 3
Financial assets & liabilities measured at fair value	-	-	-	-

(d) Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2021 and 31 March 2020.

the future contracted cashflows discounted at the current market rate.

(e) 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.

- The fair value of mutual funds are based on price quotations at reporting date.
- The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- The fair values of borrowings at fixed rates are considered to be equivalent to present value of

(f) Financial risk management

Mindspace REIT has exposure to following risks arising from financial instruments:

- Credit risk (refer note (a) below)
- Liquidity risk (refer note (b) below)
- Market risk (refer note (c) below)

(a) Credit risk

Credit risk is the risk of financial loss to Mindspace REIT if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Mindspace REIT receivables and other financial assets. The carrying amounts of financial assets represent the maximum credit exposure.

Mindspace REIT holds cash and cash equivalents with credit worthy banks of ₹ 2,938 millions as at 31

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

March 2021 (2020: ₹ 0 mn). The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

As at the reporting date, there is no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheet.

(b) Liquidity risk

Liquidity risk is the risk that Mindspace REIT will not be able to meet its financial obligations as they become due. Mindspace REIT manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to Mindspace REIT reputation.

Maturities of financial liabilities

The below table provides details of the undiscounted cash flow (principal and interest) of non-derivative financial liabilities of Mindspace REIT based on the remaining contractual maturities including estimated Interest payments:

Particulars	Carrying Value	Contractual cash flows				Total
		0-12 months	1-2 years	2-5 years	More than 5 years	
31 March 2021						
Borrowings	11,425	-	5,000	6,500	-	11,500
Trade payables	13	13	-	-	-	13
Estimated interest payment	-	179	553	987	-	1,719
Other financial liabilities	212	19	183	10	-	212
Total	11,650	211	5,736	7,497	-	13,444
31 March 2020						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	49	49	-	-	-	49
Total	49	49	-	-	-	49

(c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – which will affect the Mindspace REIT income or the value of its holdings of financial instruments. Mindspace REIT is domiciled in India and has its income and other transactions in its functional currency i.e. Rupees. Accordingly Mindspace REIT is not materially exposed to any currency risk.

Foreign exchange risk

Majority of transactions entered into by Mindspace REIT are denominated in Indian Rupees. Accordingly, Mindspace REIT does not have any material foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Mindspace REIT is not exposed to any material interest rate risk since all its debts are at fixed interest rates.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed rate instruments		
Fixed rate borrowings	11,425	-
Variable rate instruments		
Financial assets	21,178	-

33 CAPITAL MANAGEMENT

Mindspace REIT objectives when managing capital are:

- to ensure Mindspace REIT's ability to continue as a going concern.
- to provide adequate return to unitholders

The capital structure of the Mindspace REIT consists of net debt and total unit capital of the Mindspace REIT. Mindspace REIT manages its capital to ensure that the Mindspace REIT will be able to continue as going concern while maximizing the return to unitholders through an optimum mix of debt and equity within the overall capital structure. Mindspace REIT governing board reviews the capital structure of Mindspace REIT considering the cost of capital and the risks associated with each class of capital.

Mindspace REIT adjusted net debt to equity ratio as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	11,687	-
Less: Cash and Cash equivalents	(2,938)	-
Adjusted net debt	8,748	-
Total equity	165,789	-
Adjusted net debt to adjusted equity ratio	0.05	-

34 SEGMENT REPORTING

Mindspace REIT does not have any Operating segments as at 31 March 2021 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Standalone financial statements.

35 INITIAL DISCLOSURE TO BE MADE BY AN ENTITY IDENTIFIED AS A LARGE CORPORATE (ANNEXURE A)

Sr. No.	Particulars	Details
1	Name of the entity	Mindspace Business Parks REIT
2	CIN / SEBI Registration No.	CIN - Not applicable SEBI Registration No. - IN/REIT/19-20/0003
3	Outstanding borrowing of the entity as on 31 st March, 2021	₹ 11500 million (₹ Eleven thousand five hundred million only)
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	For Issuer: CRISIL CCR AAA/Stable, ICRA - AAA Stable For Non-Convertible Debentures: CRISIL AAA/Stable For Market Linked Debentures: CRISIL PP-MLD AAAr/Stable
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited ("BSE")

We confirm that the Mindspace Business Parks REIT is a 'Large Corporate' as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(All amounts in ₹ million unless otherwise stated)

Annual Disclosure to be made by an entity identified as a Large Corporate (Annexure B1)

Sr. No.	Particulars	Details
1	Name of the Entity	Mindspace Business Parks REIT
2	CIN / SEBI Registration No:	CIN - Not applicable SEBI Registration No. - IN/REIT/19-20/0003
3	Report filed for FY:	2020-21

Details of the borrowings

Sr. No.	Particulars	As on 31 March 2021
i	Incremental borrowing done in FY (a)	11,500
ii	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	2,875
iii	Actual borrowings done through debt securities in FY (c)	11,500
iv	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) – (c)	Nil
v	Reasons for shortfall, if any, in mandatory borrowings through debt securities	N.A.

36 DISTRIBUTIONS

The Governing Board of the Manager to the Trust, in their meeting held on 14 May 2021, has declared distribution to unitholders of ₹ 4.81 per unit which aggregates to ₹ 2,852 million for the quarter ended 31 March 2021. The distributions of ₹ 4.81 per unit comprises ₹ 4.44 per unit in the form of dividend and ₹ 0.37 per unit in the form of interest payment.

Along with distribution of ₹ 4.78 per unit for the quarter ended 31 December 2020, the cumulative distribution for the year ended 31 March 2021 aggregates to ₹ 9.59 per unit. The distribution of ₹ 9.59 per unit comprises ₹ 8.69 per unit in the form of dividend and ₹ 0.90 per unit in the form of interest payment.

37 “0” REPRESENTS VALUE LESS THAN ₹ 0.5 MILLION.