

EMBASSY OFFICE PARKS

Date: 28th May, 2019



To,
The Corporate Relations Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051

The Corporate Relations Department
Department of Corporate Services
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Subject: Financial Statements for the year ended 31st March, 2019.

Re: Scrip Code 542602 and Scrip Symbol “EMBASSY”

Dear Sir/Madam,

We have enclosed the Audited Standalone Financial Statements of Embassy Office Parks REIT for the year ended 31st March, 2019 and Audited Special Purpose Condensed Combined Financial Statements of Embassy Office Parks REIT for the year ended 31st March, 2019 as approved by the Board of Directors of Embassy Office Parks Management Services Private Limited, Manager to Embassy Office Parks REIT at its meeting held on Tuesday, 28th May, 2019 in Bangalore.

For more details please log on to www.embassyofficeparks.com.

Kindly take the same on your record.

For and on behalf of Embassy Office Parks REIT acting through the Manager, Embassy Office Parks Management Services Private Limited

Ramesh Periasamy
Digitally signed
by Ramesh
Periasamy
Date: 2019.05.28
19:57:33 +05'30'

Ramesh Periasamy
Company Secretary & Compliance Officer

Embassy Office Parks Management Services Pvt. Ltd.

Embassy GolfLinks Business Park, Pebble Beach, Off International Ring Road, Bangalore - 560071.
T: +91 80 4903 0000 F: +91 80 4903 0046
www.embassyofficeparks.com | CIN: U70100KA2014PTC073362

Registered Office: Embassy Point, 1st Floor, 150, Infantry Road, Bangalore - 560 001, India.
T: +91 80 4179 9999 F: +91 80 2228 6912

B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Independent Auditors' Report

The Board of Directors
Embassy Office Parks Management Services Private Limited ("Manager")
1st Floor, Embassy Point
150, Infantry Road
Bengaluru - 560001

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Embassy Office Parks Real Estate Investment Trust ("the Trust"), which comprise the standalone balance sheet as at 31 March 2019 and the standalone statement of profit and loss and standalone statement of cash flows for the year ended 31 March 2019, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information. The financial statements have been prepared by the Manager in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

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 Accounting Standards issued by the Institute of Chartered Accountants of India in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India, of the state of affairs of the Trust as at 31 March 2019 and loss and its cash flows for the for the year ended on that date.

Basis for Opinion

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

Manager's Responsibility for the Standalone Financial Statements

Manager is responsible for the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss and cash flows in accordance with the financial reporting provisions of the Accounting Standards issued by the Institute of Chartered Accountants of India; this includes the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Manager's Responsibility for the Standalone Financial Statements (continued)

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

Manager is also responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities 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.
- In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control with reference to financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Manager'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 Trust'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 Trust 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.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)

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.

for B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231W/W-100024

Sd/-

Rushank Muthreja

Partner

Membership No: 211386

Place: Bengaluru

Date: 28 May 2019

Embassy Office Parks REIT (As defined in note 1)
RN: IN/REIT/17-18/0001
Standalone Balance Sheet
(all amounts in Rs. millions, unless otherwise stated)



	Note	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Unitholders' funds			
Unit capital	3	229,039.26	-
Reserves	4	(94.47)	-
		228,944.79	-
Current liabilities			
Other current liabilities	5	2,586.31	-
		2,586.31	-
		231,531.10	-
ASSETS			
Non-current assets			
Non-current investments	6	183,999.64	-
Long-term loans and advances	7	4,712.93	-
		188,712.57	-
Current assets			
Cash and bank balances	8	42,818.53	-
		42,818.53	-
		231,531.10	-

Significant accounting policies

2

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date attached

for **BSR & Associates LLP**
Chartered Accountants

Firm's registration number: 116231W / W-100024

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Pvt Ltd
(As Manager to the Embassy Offices Parks REIT)

Sd/-

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 May 2019

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019

Embassy Office Parks REIT (As defined in note 1)

RN: IN/REIT/17-18/0001

Standalone Statement of Profit and Loss

(all amounts in Rs. millions unless otherwise stated)



	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue		-	-
Total Income		-	-
Expenses			
Other expenses		94.47	-
		94.47	-
Loss before finance costs, depreciation, amortization and income tax		(94.47)	-
Finance costs	9	-	-
Loss before tax		(94.47)	-
Tax expense:			
Current tax	15	-	-
Tax expense		-	-
Loss for the year		(94.47)	-
Earnings Per Unit	10		

Significant accounting policies

2

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date attached

*for B S R & Associates LLP**Chartered Accountants*

Firm's registration number: 116231W/ W-100024

*for and on behalf of the Board of Directors of***Embassy Office Parks Management Services Pvt Ltd**

(As Manager to the Embassy Offices Parks REIT)

Sd/-

Rushank Muthreja*Partner*

Membership number: 211386

Sd/-

Date: 28 May 2019

Sd/-

Jitendra Virwani*Director*

DIN: 00027674

Sd/-

Date: 28 May 2019

Sd/-

Tuhin Parikh*Director*

DIN: 00544890

Sd/-

Date: 28 May 2019

Embassy Office Parks REIT (As defined in note 1)

RN: IN/REIT/17-18/0001

Standalone Statement of Cash Flows

(all amounts in Rs. millions unless otherwise stated)



	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Loss before tax	(94.47)	-
Adjustments for:		
Working capital	125.97	-
Cash generated from/ (used in) operating activities	31.50	-
Income taxes paid (net)	-	-
Net cash generated from/ (used in) operating activities	31.50	-
Cash flow from investing activities		
Loans given to subsidiary (refer note 13)	(4,681.93)	-
Net cash generated from/ (used in) investing activities	(4,681.93)	-
Cash flow from financing activities		
Proceeds from Issue of Units	47,499.96	-
Security deposits given	(31.00)	-
Net cash generated from/ (used in) financing activities	47,468.96	-
Net increase in cash and cash equivalents	42,818.53	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	42,818.53	-
Cash and cash equivalents comprise		
Balances with banks		
- in current accounts	0.50	-
- in escrow accounts	42,818.03	-
Total cash and cash equivalents (refer note 8)	42,818.53	-

Note: The trust has issued Units in exchange for investments in SPVs. The same has not been reflected in Standalone Statement of Cash Flows since it was a non-cash transaction. (Refer note 6)

The notes referred to above are an integral part of these standalone financial statements.

Significant accounting policies

2

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Pvt Ltd

(As Manager to the Embassy Offices Parks REIT)

Sd/-

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 May 2019

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019

1 Trust Information

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsor') have set up the Embassy Office Parks REIT (or the "EOP REIT" or the "Trust") on March 30, 2017 at Bengaluru, Karnataka, India as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated 30 March 2017 as amended on 11 September 2018. The EOP REIT was registered with SEBI on 3 August 2017 as a real estate investment trust (REIT) under Regulation 3(1) of the REIT Regulations having registration number IN/REIT/17-18/0001. Pursuant to a letter dated 21 August 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the EOP REIT.

Embassy Office Parks Management Services Private Limited (EOPMSPL or the "Investment Manager" or the "Manager" or the "Management") has been appointed as the Manager to the EOP REIT. The address of the registered office of the Trust and the Manager is Embassy Office Parks Management Services Private Limited, Royal Oaks, Embassy Golf Links Business Park, Off Intermediate Ring Road, Bangalore, Karnataka 560071.

Axis Trustee Services Limited has been appointed as the Trustee to the EOP REIT (the "Trustee").

The objectives of EOP REIT are to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of EOP REIT is to own and invest in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders.

The initial public offer ("IPO") for EOP REIT was open from 18 March 2019 to 20 March 2019. The Units were allotted to issue subscribers on 28 March 2019 and subsequently the Units were listed at Bombay Stock Exchange and National Stock Exchange on 1 April 2019.

Embassy Office Parks REIT acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders on 22 March 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at Rs. 300 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 1 April 2019.

Accordingly, the equity interest in each of the below Special Purposes Vehicles (SPV's) (directly or indirectly, through their holding companies) have been transferred from the respective shareholders to the Trust.

1. Embassy Office Parks Pvt Ltd ('EOPPL')
2. Manyata Promoters Private Limited ('MPPL')
3. Umbel Properties Private Limited ('UPPL')
4. Embassy Energy Private Limited ('EEPL')
5. Earnest Towers Private Limited ('ETPL')
6. Indian Express Newspapers (Mumbai) Private Limited ('IENMPL')
7. Vikhroli Corporate Park Private Limited ('VCPPL')
8. Qubix Business Park Private Limited ('QBPPPL')
9. Quadron Business Park Private Limited ('QBPL')
10. Oxygen Business Park Private Limited ('Oxygen')
11. Galaxy Square Private Limited ('GSPL')

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1 Trust Information (continued)

Name of the SPV	Activities	Pre-listing shareholding (in percentage)	Post-listing shareholding (in percentage)
EOPPL	Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks investment company for the Embassy Office Parks Group.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Ltd: 49.75% SG Indian Holding (NQ) Co II Pte. Ltd: 0.03% SG Indian Holding (NQ) Co III Pte. Ltd: 0.22%	Embassy Office Parks REIT: 100%
MPPL	Development and leasing of office space and related interiors (Manyata Embassy Business Park), located at Bangalore.	EOPPL : 35.77% BRE/Mauritius Investments: 36.97% Reddy Veeranna: 27.00% Suguna Reddy: 0.26%	EOPPL : 35.77% Embassy Office Parks REIT : 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton residences).	EPDPL: 58% D M Estates Private Limited: 29% Golflinks Properties Private Limited: 13%	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power to the office spaces of Embassy Office Parks Group located in Bangalore.	EOPPL: 80% EPDPL: 10% Rana George: 10%	Embassy Office Parks REIT : 20% EOPPL: 80%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Galaxy Business Park), located in Noida.	BREP GML Holding (NQ) Pte. Ltd.: 79.62% BREP VII GML Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS GML Holding (NQ) Ltd.: 0.38% BREP VII SBS GML Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Quadron Business Park), located in Pune.	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Premasagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT : 100%

1 Trust Information (continued)

Name of the SPV	Activities	Pre-listing shareholding (in percentage)	Post-listing shareholding (in percentage)
QBPPPL	Development and leasing of office space and related interiors and maintenance of such assets (Qubix Business Park), located in Pune.	BREP NTPL Holding (NQ) Pte. Ltd.: 79.62% BREP VII NTPL Holding (NQ) Pte. Ltd.: 19.89% BREP VII SBS NTPL Holding (NQ) Ltd.: 0.38% BREP VII NTPL Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
OBPPPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Ltd.: 0.39% BREP VII SBS Oxygen Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
VCPPPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Ltd.: 79.81% BREP VII HCC Holding (NQ) Pte Ltd.: 19.89% BREP Asia SBS HCC Holding (NQ) Ltd.: 0.19% BREP VII SBS HCC Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
IENPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Panchshil Techpark Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Ltd.: 0.18% BREP VII SBS Holding (NQ) Co. XI Ltd.: 0.05%	Embassy Office Parks REIT : 100%

The standalone financial statements were authorized for issue in accordance with resolution passed by the Board of Directors of the Trust Manager on 28 May 2019.

2 Significant accounting policies

a. Basis of preparation

These standalone financial statements are the separate standalone financial statements of the Trust and comprise of the Balance Sheet as at March 31, 2019, the Standalone Statement of Profit and Loss and the Standalone Statement of Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the accrual basis. IGAAP comprises Accounting Standards issued by the Institute of Chartered Accountants of India .

The standalone financial statements are presented in INR and all values are rounded to the nearest millions, except when otherwise stated.

b. Use of estimates

The preparation of standalone financial statements in conformity with IGAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses.

Investment properties are depreciated on straight-line method over their estimated useful lives for certain SPVs and on written down value method for other SPVs. However, where the management’s estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Pursuant to this policy, Management’s estimates of useful life of the following major assets as under:

Block of asset	Management estimate of useful life on straight line method	Management estimate of useful life on written down value method
Buildings	5 - 60 years	40 - 60 years
Plant and Machinery	15 - 20 years	7 - 15 years
Furniture and Fixtures	5 - 15 years	7 - 10 years
Electrical Equipments	10 years	10 years
Leasehold land*	30 - 99 years based on the primary lease period	95 years or based on the primary lease period

Freehold land is not depreciated.

Leasehold improvements are depreciated over the primary lease period or estimated useful life whichever is lower.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Trust will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

c. Investment properties (continued)

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

d. Impairment of assets

The EOP REIT periodically assesses whether there is any indication that an asset or a group of assets comprising a cash-generating Unit may be impaired. If any such indication exists, the EOP REIT estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating Unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating Unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Standalone Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

e. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

f. Foreign exchange transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange difference arising on foreign exchange transactions settled during the year are recognized in the Standalone Statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing exchange rate on that date; the resultant exchange differences are recognized in the Standalone Statement of Profit and Loss.

g. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Current Tax is determined at the amount of tax payable in respect of taxable income for the year as per the Income-tax Act, 1961. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized. The Embassy Office Parks REIT offsets, the current and deferred tax assets and liabilities (on a year-on-year basis), where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Standalone Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the EOP REIT will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

h. Current versus non-current classification

The Trust 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 within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when it is:

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The Trust classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

i. Borrowing costs

Borrowing costs are recognized in the Standalone Statement of Profit and Loss in the period in which they are incurred, except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalized. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

Interest income

Interest income is recognized on a time proportion basis as and when accrued. Interest income on financial instruments are recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

Dividends

Dividends is recognized when the Trust's right to receive the payment is established, which is generally when shareholders approve the dividend.

k. Segment reporting

The Trust's activities comprise of owning and investing in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders. Consequently, the Manager believes that there are no reportable segments as required under AS17 - Segment reporting.

l. Earning per Unit

Basic earning per Unit is calculated by dividing the net profit or loss for the year attributable to Unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of Units outstanding during the year. The weighted average number of Units outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue; split and reverse split (consolidation of Units) that have changed the number of Units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the year attributable to unit holders and the weighted average number of units outstanding during the year are adjusted for the effects of all potentially dilutive securities.

m. Provisions

A provision is recognized when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

n. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cheques in hand and cash at bank and in hand and short-term deposits with an original maturity of three months or less.

o. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Trust does not recognize a contingent liability but discloses its existence in the standalone financial statements.

p. Cash flow statement

Cash flow statement is reported using the indirect method, whereby net profit/ (loss) 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 arising from operating, investing and financing activities are segregated.

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3 Unit Capital

A. Particulars	No in millions	Amount
As at 1 April 2017	-	-
Units issued during the year	-	-
As at 31 March 2018	-	-
As at 1 April 2018	-	-
Units issued during the year	771.67	231,499.60
Less: Issue expenses (Refer note below)	-	(2,460.34)
Closing balance as at 31 March 2019	771.67	229,039.26

Note: Issue expenses pertaining to the Initial Public Offering and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital.

Terms/rights attached to Units

The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. 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 Investment Manager approves dividend distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust will declares and pay dividends in Indian Rupees.

Initial Public Offering was for 158,333,200 Units for cash at price of Rs. 300 per Unit aggregating to Rs. 47,499.96 million.

A Unitholder has no equitable or proprietary interest in the projects of Embassy Office Parks REIT and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of Embassy Office Parks REIT. A Unitholder's right is limited to the right to require due administration of Embassy Office Parks REIT in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

B. Unitholders holding more than 5 percent Units in the Trust

Name of the share holder	As at 31 March 2019		As at 31 March 2018	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd	115,484,802	14.97%	-	-
SG Indian Holding (Nq) Co I Pte Ltd.	104,094,966	13.49%	-	-
BRE Mauritius Investments	93,610,755	12.13%	-	-
Veeranna Reddy	65,472,582	8.48%	-	-
Bre/Mauritius Investments II	45,630,850	5.91%	-	-
India Alternate Property Limited	39,446,986	5.11%	-	-
	463,740,941	60.09%	-	-

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4 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
Retained earnings		
As at 1 April 2017	-	-
Profit / loss for the year	-	-
As at 31 March 2018	-	-
As at 1 April 2018	-	-
Loss for the year	(94.47)	-
As at 31 March 2019	(94.47)	-

5 Other current Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Other liabilities		
- Payable to SPVs*	306.59	-
- Payable to Manager*	157.50	-
- Payable to Co-sponsor**	0.50	-
- Payable to others	2,121.72	-
	2,586.31	-

* Includes the expenses incurred by the SPVs and Manager on behalf of Embassy Office Parks REIT.

** Includes the amount received from one of the Co-sponsors.

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6 Investments

	As at 31 March 2019	As at 31 March 2018
<i>Trade, unquoted, Investments in subsidiaries (at cost) *</i>		
8,703,248 (31 March 2018 Nil) equity shares of Embassy Office Parks Private Limited of Rs.10 each, fully paid up	62,768.25	-
727,538 (31 March 2018 Nil) equity shares of Manyata Promoters Private Limited of Rs.10 each, fully paid up	48,790.52	-
271,611 (31 March 2018 Nil) equity shares of Qubix Business Park Private Limited of Rs.10 each, fully paid up	13,689.26	-
1,884,747 (31 March 2018 Nil) equity shares of Oxygen Business Park Private Limited of Rs.10 each, fully paid up	12,308.89	-
185,604,589 (31 March 2018 Nil) equity shares of Earnest Towers Private Limited of Rs.10 each, fully paid up	12,138.78	-
6,134,015 (31 March 2018 Nil) equity shares of Vikhroli Corporate Park Private Limited of Rs.10 each, fully paid up	10,710.94	-
124,561 (31 March 2018 Nil) equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs.10 each, fully paid up	4,775.79	-
130,022 (31 March 2018 Nil) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of Rs. 10 each ,	4,985.17	-
2,129,635 (31 March 2018 Nil) equity shares of Quadron Business Park Private Limited of Rs.10 each, fully paid up	5,595.08	-
107,958 (31 March 2018 Nil) equity shares of Galaxy Square Private Limited of Rs.100 each, fully paid up	4,662.50	-
405,940,204 (31 March 2018 Nil) equity shares of Umbel Properties Private Limited of Rs.10 each, fully paid up	2,841.67	-
1,999 (31 March 2018 Nil) equity shares of Embassy Energy Private Limited of Rs.10 each, fully paid up	732.79	-
	183,999.64	-

Note: The trust has issued Units as consideration to acquire these investments wherein the tradeable REIT Unit has been valued at Rs 300 each.

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

Name of Subsidiary	Ownership Interest	
	31 March 2019	31 March 2018
Embassy Office Parks Private Limited	100.00%	-
Manyata Promoters Private Limited*	64.23%	-
Umbel Properties Private Limited	100.00%	-
Embassy Energy Private Limited **	19.99%	-
Earnest Towers Private Limited	100.00%	-
Indian Express Newspapers (Mumbai) Private Limited	100.00%	-
Vikhroli Corporate Park Private Limited	100.00%	-
Qubix Business Park Private Limited	100.00%	-
Quadron Business Park Private Limited	100.00%	-
Oxygen Business Park Private Limited	100.00%	-
Galaxy Square Private Limited	100.00%	-

* Remaining 35.77% of ownership interest in Manyata Promoters Private Limited is owned by Embassy Office Parks Private Limited.

** Remaining 80.01% of ownership interest in Embassy Energy Private Limited is owned by Embassy Office Parks Private Limited.

7 Long-term loans and advances

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Unsecured, considered good</i>		
Loans to subsidiaries (refer note 13)	4,681.93	-
Security deposits (Refer note 11)	31.00	-
	4,712.93	-

Note: Embassy Office Parks REIT has given an amount of Rs 4,683.93 millions to QBPL as per the loan agreement dated 11 March 2019.

Purpose of loan:

- (a) repaying (in full or in part) existing indebtedness of the Borrower;
- (b) payment of consideration for acquisition of assets (being completed office and retail space, and Four Seasons hotel) from Embassy One Developers Private Limited;
- (c) repaying (in full or in part) deferred payment obligations, construction financing, financing acquisitions, refurbishment expenses and/or working capital requirements of the Borrower

Security: Unsecured

Interest : 12.50% per annum. The Lender may reset the rate of interest applicable to all or any tranche of the loan amount on: (i) any drawdown date; and (ii) any interest payment date prior to the repayment date, by giving a notice of not less than 5 (five) days to the borrower, provided that pursuant to any such reset, the interest rate shall continue to be not less than 12.50% per annum and not more than 14.00% per annum for any disbursements of the loan amount out of the proceeds of Listing.

Repayment:

- (a) bullet repayment on the date falling at the end of 15 (fifteen) years from the first drawdown date.
- (b) The Borrower may, by giving not less than 5 (five) Business Days prior written notice to the Lender, on any date (such date being the “Voluntary Prepayment Date”) between the date of this Agreement and the Repayment Date, prepay the whole or any part of the Loan Amount disbursed to it, along with the accrued but unpaid interest and other costs on the whole or that part of the Loan Amount, without any prepayment premium, penalty or break costs.
- (c) If, at any time: (i) it is or will become unlawful for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or perform any of its obligations or enjoy any of its rights pursuant to any of the Financing Documents; and/or (ii) any of the Financing Documents are terminated with or without cause, otherwise that in the manner contemplated under such documents, the Lender shall: (i) promptly notify the Borrower upon becoming aware of such event and the loan will stand immediately cancelled and an amount equal to the Loan Outstanding shall immediately fall due (the “Termination Amount”); and (ii) the Borrower shall pay the Termination Amount, on or before the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law).

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8 Cash and bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
- in current accounts	0.50	-
- in escrow accounts*	42,818.03	-
	42,818.53	-

* Represents the balance Rs. 42,818.03 million from proceeds of public issue of REIT Units (Total proceeds Rs. 47,499.96 million). As at 31 March 2019, this amount held in the Escrow account can be withdrawn for specific use after obtaining certain administrative approvals.

9 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional expenses	1.19	-
Selling and marketing expenses	93.28	-
	94.47	-

10 Earning per Unit (EPU)

The Units of the Trust were allotted on 22 March 2019 and 27 March 2019. However the profits/(loss) in the Combined statement of profit and Loss is for the full year and hence the earnings per Unit has not been presented for the year ended 31 March 2019 as it will not depict a correct picture of the performance of the Group. There were no Units issued and outstanding as at 31 March 2018 and hence the details of EPU for the year ended 31 March 2018 has not been presented.

11 Contingent liabilities and Capital commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Bank Guarantees given by the Trust (Refer note below)	20.00	-
	20.00	-

Note: Trust has given an irrevocable and unconditional bank guarantee to National Stock Exchange (NSE) for Rs. 20 million in lieu of the balance of security deposit required to be provided by the issuer to NSE, as security for due performance and fulfillment by the issuer of its engagements, commitments, operations, obligations or liabilities as an issuer. The issuer (Trust) has requested NSE to act as the "Designated Stock exchange" in terms of SEBI (Real Estate Investment Trusts) Regulations, 2014 for completion of proposed public issue. Providing a security deposit and bank guarantee are the conditions precedent for NSE to agree to function as Designated Stock Exchange.

12 Auditor's remuneration (included in legal and professional fees and excludes GST)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
- statutory audit	1.00	-
Reimbursement of expenses	0.01	-
	1.01	-

Embassy Office Parks REIT (As defined in note 1)
RN: IN/REIT/17-18/0001

Notes to the Standalone Financial Statements
(all amounts in Rs. millions unless otherwise stated)



13 **Related party disclosures**

I. **List of related parties as at 31 March 2019 (refer notes below)**

A. **Parties to**

Embassy Property Developments Pvt Ltd - Co-Sponsor
BRE/ Mauritius Investments - Co-Sponsor
Embassy Office Parks Management Services Pvt Ltd - Investment Manager
Axis Trustee Services Limited - Trustee

The co-sponsor groups consist of the below entities

Embassy Property Developments Pvt Ltd - Co-Sponsor

Embassy Property Developments Pvt Ltd
Embassy One Developers Pvt Ltd (upto 21 March 2019)
D M Estates Pvt Ltd (upto 21 March 2019)
Embassy Services Pvt Ltd (upto 21 March 2019)
Golflinks Properties Pvt Ltd

BRE/ Mauritius Investments - Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Ltd
SG Indian Holding (NQ) Co. II Pte. Ltd
SG Indian Holding (NQ) Co. III Pte. Ltd
BRE/Mauritius Investments II;
BREP NTPL Holding (NQ) Pte Ltd
BREP VII NTPL Holding (NQ) Pte Ltd
BREP Asia SBS NTPL Holding (NQ) Ltd

BREP VII SBS NTPL Holding (NQ) Ltd
BREP GML Holding (NQ) Pte Ltd
BREP VII GML Holding (NQ) Pte Ltd
BREP Asia SBS GML Holding (NQ) Ltd
BREP VII SBS GML Holding (NQ) Ltd
BREP Asia SG Oxygen Holding (NQ) Pte Ltd
BREP VII SG Oxygen Holding (NQ) Pte Ltd

BREP Asia SBS Oxygen Holding (NQ) Ltd
BREP VII SBS Oxygen Holding (NQ) Ltd
BREP Asia HCC Holding (NQ) Pte Ltd
BREP VII HCC Holding (NQ) Pte Ltd
BREP Asia SBS HCC Holding (NQ) Ltd
BREP VII SBS HCC Holding (NQ) Ltd
India Alternate Property Limited

BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd
BREP VII SG Indian Holding (NQ) Co II Pte. Ltd
BREP Asia SBS Holding-NQ CO XI Ltd
BREP VII SBS Holding-NQ CO XI Ltd

Directors & KMPs of the Investment Manager (Embassy Office Parks Management Services Pvt Ltd)

Directors

Jitendra Virwani - Director (w.e.f 30 March 2017)
Tuhin Parikh - Director (w.e.f 16 June 2015)
Vivek Mehra (w.e.f 9 June 2017)
Ranjan Ramdas Pai (w.e.f 9 June 2017)
Anuj Puri (w.e.f 6 August 2018)
Punita Kumar Sinha (w.e.f 6 August 2018)
Sd/- Robert Christop Sd/-
Aditya Virwani (w.e.f 6 August 2018)

KMPs

Michael David Holland - CEO (w.e.f 6 August 2018)
Rajesh Narayan Kaimal - CFO (w.e.f 6 August 2018)
Periasamy Ramesh - Company Secretary (w.e.f 7 January 2019)

Sd/-

Sponsors, directors and partners of the persons in clause A

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13 **Related party disclosures (contd.)**

(i) **Names of related parties and description of relationship**

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
MPPL	Embassy Office Parks REIT (w.e.f 22.03.2019)	Embassy Office Parks Pvt Ltd (upto 21.03.2019) BRE/Mauritius Investments (upto 21.03.2019)	-	-	-	-	Embassy Services Pvt Ltd * Embassy Property Developments Pvt Ltd Reddy Veeranna Construction Pvt Ltd* Embassy Shelters Pvt Ltd* Manyata Builders Pvt Ltd* Manyata Projects Pvt Ltd* Manyata Infrastructure Developments Pvt Ltd* Snap Offices Pvt Ltd (Previously named as Stylus Commercial Services Pvt Ltd)* Global Facade Solutions* Synergy Property Development Services Pvt Ltd* Udhyaman Investments Pvt Ltd* Earnest Towers Pvt Ltd** Indian Express Newspapers (Mumbai) Pvt Ltd** Vikhroli Corporate Park Pvt Ltd** Qubix Business Park Pvt Ltd** Quadron Business Park Pvt Ltd** Oxygen Business Park Pvt Ltd** Galaxy Square Pvt Ltd**	Reddy Veeranna (upto 21.03.2019) Jitendra Virwani

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13 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
EOPL	Embassy Office Parks REIT Control w.e.f 22 March 2019	Embassy Property Developments Pvt Ltd, ultimately held by JV Holding Pvt Ltd Joint control (upto 22 March 2019) SG Indian Holding (NQ) Co I Pte. Ltd Joint control (upto 22 March 2019) SG Indian Holding (NQ) Co II Pte. Ltd Joint control (upto 22 March 2019) SG Indian Holding (NQ) Co III Pte. Ltd Joint control (upto 22 March 2019)	-	Embassy-Energy Pvt Ltd - w.e.f. 6 January 2017	Golflinks Software Park Pvt Ltd Manyata Promoters Pvt Ltd	-	Embassy Services Pvt Ltd* Manyata Developers Pvt Ltd* SG Indian Holding (NQ) Co IV Pte. Ltd* SG Indian Holding (NQ) Co V Pte. Ltd* SG Indian Holding (NQ) Co VI Pte. Ltd* Synergy Property Development Services Pvt Ltd*	
ETPL	India Alternate Property Limited, the holding company (upto 21 March 2019) Embassy Office Parks REIT (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	
QBPL	BREP NTPL Holding (NQ) Pte. Ltd (upto 21 March 2019) Embassy Office Parks REIT (holding w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	

13 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
UPPL	Embassy Property Developments Pvt Ltd (Holding Company) (upto 21 March, 2019) JV Holding Pvt Ltd (Ultimate holding company) (upto 21 March, 2019) Embassy Office Parks REIT holding company (w.e.f 22 March 2019)	-	D M Estates Pvt Ltd (upto 22 March, 2019)	-	-	-	Golflinks Embassy Business Park Management Services LLP Embassy Industrial Parks Pvt Ltd* Embassy Office Ventures Pvt Ltd* Embassy Services Pvt Ltd* Embassy Clubs LLP* Embassy One Developers Pvt Ltd* Embassy Office Park Management Services Pvt Ltd Golflinks Software Parks Pvt Ltd K.J. George* Embassy Energy Pvt Ltd Vikas Telecom Pvt Ltd* Golflinks Properties Pvt Ltd*	Jitendra Virwani K J George
VCPPL	BREP Asia HCC Holding (NQ) Pte. Ltd (upto 21 March 2019) Embassy Office Park REIT (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	Rasika Bharadkar

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13 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
EEPL	Embassy Office Parks Pvt Ltd - Holding Company(upto 21 March 2019) Embassy Office Parks REIT- Ultimate Holding Company (w.e.f.22 March 2019)	-	-	-	-	-	Embassy Property Developments Pvt Ltd Embassy Services Pvt Ltd * Golflinks Software Parks Pvt Ltd* J V Holdings Pvt Ltd* Manyata Promoters Pvt Ltd WeWork India Management Pvt Ltd* Vikas Telecom Pvt Ltd* Dynasty Properties Pvt Ltd* Umbel Properties Pvt Ltd	
IENMPL	Panchshil Techpark Pvt Ltd (upto 21 March 2019) Embassy Office Parks REIT (w.e.f 22 March 2019)	-	-	-	-	-	Target Infradevelopers LLP* Spazio - Panchshil Reality & Developers Pvt Ltd* Embassy Office Park Management Services Pvt Ltd**	Dillon Pereira
QBPL	BRE/ Mauritius Investments II (upto 21 March 2019) Embassy Office Parks REIT (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	

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13 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
GSPL	BREP GML Holding (NQ) Pte. Ltd (upto 21 March 2019) Embassy Office Parks Real Estate Investment Trust (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	
OBPPL	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd. (upto 21 March 2019) Embassy Office Parks Real Estate Investment Trust (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	

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13 Related party disclosures

(ii) **Transactions during the year**

Particulars	Relation	For the year ended 31 March 2019	For the year ended 31 March 2019
Unsecured loans given to subsidiaries			
Quadron Business Park Pvt Ltd	Subsidiary	4,681.93	-
Investment in equity shares of SPVs			
Embassy Office Parks Pvt Ltd	Subsidiary	62,768.25	-
Manyata Promoters Pvt Ltd	Subsidiary	48,790.52	-
Qubix Business Park Pvt Ltd	Subsidiary	13,689.26	-
Oxygen Business Park Pvt Ltd	Subsidiary	12,308.89	-
Earnest Towers Pvt Ltd	Subsidiary	12,138.78	-
Vikhroli Corporate Park Pvt Ltd	Subsidiary	10,710.94	-
Quadron Business Park Pvt Ltd	Subsidiary	5,595.08	-
Galaxy Square Pvt Ltd	Subsidiary	4,662.50	-
Umbel Properties Pvt Ltd	Subsidiary	2,841.67	-
Embassy Energy Pvt Ltd	Step down Subsidiary	732.79	-
Indian Express Newspapers (Mumbai) Pvt Ltd	Associate Company	9,760.97	-
Reimbursement of expenses paid			
Embassy Office Parks Pvt Ltd	Subsidiary	174.79	-
Manyata Promoters Pvt Ltd	Subsidiary	5.96	-
Qubix Business Park Pvt Ltd	Subsidiary	9.33	-
Oxygen Business Park Pvt Ltd	Subsidiary	9.11	-
Earnest Towers Pvt Ltd	Subsidiary	3.96	-
Vikhroli Corporate Park Pvt Ltd	Subsidiary	7.65	-
Quadron Business Park Pvt Ltd	Subsidiary	7.90	-
Galaxy Square Pvt Ltd	Subsidiary	9.10	-
Umbel Properties Pvt Ltd	Subsidiary	10.30	-
Embassy Energy Pvt Ltd	Step down Subsidiary	6.15	-
Indian Express Newspapers (Mumbai) Pvt Ltd	Associate Company	20.19	-
Embassy One Developers Pvt Ltd	Subsidiary	9.54	-
Embassy Office Parks Management Services Pvt Ltd	Trust Manager	157.50	-
Deposits paid on behalf of Trust			
Embassy Office Parks Pvt Ltd	Subsidiary	31.00	-

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13 Related party disclosures**(ii) Transactions during the year**

Particulars	Relation	For the year ended 31 March 2019	For the year ended 31 March 2019
Issue of Unit capital			
Embassy Property Development Pvt Ltd	Co-sponsor	34,645.44	-
SG Indian Holding (NQ) Co I Pte. Ltd.	Co-sponsor group	31,228.49	-
SG Indian Holding (NQ) Co II Pte. Ltd.	Co-sponsor group	20.24	-
SG Indian Holding (NQ) Co III Pte. Ltd.	Co-sponsor group	135.39	-
BRE/ Mauritius Investments	Co-sponsor	28,083.23	-
India Alternate Property Limited	Co-sponsor group	11,834.10	-
BREP Asia SG Indian Holding (NQ) Co. II Pte Ltd	Co-sponsor group	7,770.49	-
BREP VII SG Indian Holding (NQ) Co II Pte Ltd	Co-sponsor group	1,941.58	-
BREP Asia SBS Holding-NQ Co. XI Ltd	Co-sponsor group	38.24	-
BREP VII SBS Holding-NQ Co. XI Ltd	Co-sponsor group	10.66	-
BREP Asia HCC Holding (NQ) Pte Ltd	Co-sponsor group	8,548.39	-
BREP VII HCC Holding (NQ) Pte Ltd	Co-sponsor group	2,130.08	-
BREP Asia SBS HCC Holding (NQ) Ltd.	Co-sponsor group	20.36	-
BREP VII SBS HCC Holding (NQ) Ltd.	Co-sponsor group	12.10	-
BRE/Mauritius Investments II	Co-sponsor group	13,689.26	-
BREP NTPL Holding (NQ) Pte. Ltd	Co-sponsor group	4,454.94	-
BREP VII NTPL Holding (NQ) Pte. Ltd.	Co-sponsor group	1,112.97	-
BREP Asia SBS NTPL Holding (NQ) Ltd.	Co-sponsor group	21.13	-
BREP VII SBS NTPL Holding (NQ) Ltd	Co-sponsor group	6.04	-
BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	Co-sponsor group	9,798.86	-
BREP VII SG Oxygen Holding (NQ) Pte. Ltd	Co-sponsor group	2,448.42	-
BREP Asia SBS Oxygen Holding (NQ) Ltd	Co-sponsor group	48.25	-
BREP VII SBS Oxygen Holding (NQ) Ltd	Co-sponsor group	13.36	-
BREP GML Holding (NQ) Pte. Ltd.	Co-sponsor group	3,712.50	-
BREP VII GML Holding (NQ) Pte. Ltd	Co-sponsor group	927.45	-
BREP Asia SBS GML Holding (NQ) Ltd	Co-sponsor group	17.54	-
BREP VII SBS GML Holding (NQ) Ltd	Co-sponsor group	5.01	-
Margin money kept on behalf of Trust			
Embassy Office Parks Management Services Pvt Ltd	Trust Manager	20.00	-
Trustee fee			
Axis Trustee Services Limited	Trustee	1,597.58	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Pvt Ltd	Co-sponsor group	0.50	-

13 Related party disclosures**(iii) Year end balances**

Particulars	Relation	As at	As at
		March 31, 2019	March 31, 2018
Unsecured loan receivable			
Quadron Business Park Pvt Ltd	Subsidiary	4,681.93	-
Investment in equity shares of subsidiary (excluding)			
Embassy Office Parks Pvt Ltd	Subsidiary	62,768.25	-
Manyata Promoters Pvt Ltd	Subsidiary	48,790.52	-
Qubix Business Park Pvt Ltd	Subsidiary	13,689.26	-
Oxygen Business Park Pvt Ltd	Subsidiary	12,308.89	-
Earnest Towers Pvt Ltd	Subsidiary	12,138.78	-
Vikhroli Corporate Park Pvt Ltd	Subsidiary	10,710.94	-
Quadron Business Park Pvt Ltd	Subsidiary	5,595.08	-
Galaxy Square Pvt Ltd	Subsidiary	4,662.50	-
Umbel Properties Pvt Ltd	Subsidiary	2,841.67	-
Embassy Energy Pvt Ltd	Step down Subsidiary	732.79	-
Indian Express Newspapers (Mumbai) Pvt Ltd	Associate Company	9,760.97	-
Trustee fee			
Axis Trustee Services Limited	Trustee	1,597.58	-
Payable for expenses			
Embassy Office Parks Pvt Ltd	Subsidiary	174.79	-
Manyata Promoters Pvt Ltd	Subsidiary	5.96	-
Qubix Business Park Pvt Ltd	Subsidiary	9.33	-
Oxygen Business Park Pvt Ltd	Subsidiary	9.11	-
Earnest Towers Pvt Ltd	Subsidiary	3.96	-
Vikhroli Corporate Park Pvt Ltd	Subsidiary	7.65	-
Quadron Business Park Pvt Ltd	Subsidiary	7.90	-
Galaxy Square Pvt Ltd	Subsidiary	9.10	-
Umbel Properties Pvt Ltd	Subsidiary	10.30	-
Embassy Energy Pvt Ltd	Step down Subsidiary	6.15	-
Indian Express Newspapers (Mumbai) Pvt Ltd	Associate Company	20.19	-
Embassy One Developers Pvt Ltd	Subsidiary	9.54	-
Embassy Office Parks Management Services Pvt Ltd	Trust Manager	157.50	-
Deposits given on behalf of Trust			
Embassy Office Parks Management Services Pvt Ltd	Trust Manager	31.00	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Pvt Ltd	Trust Manager	20.00	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Pvt Ltd	Co-sponsor group	0.5	-

14 Segment Reporting

The Trust's activities comprise of owning and investing in rent or income generating real estate and related assets in India with the objective of producing stable and sustainable distributions to Unitholders. Consequently, the Manager believes that there are no reportable segments as required under AS 17 - Segment reporting.

15 EOP REIT was registered as an irrevocable trust under the Indian Trusts Act, 1882 on 30 March 2017 and registered as a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 on 30 March 2017. However, there were no transactions during the period 30 March 2017 to 31 March 2018. Allotment of Units to the subscribers of REIT issue (IPO) was completed on 28 March 2019 and REIT got listed on stock exchange on 1 April 2019. Hence the financial statements does not have reportable items for the financial year ending 31 March 2018.

16 Details of utilisation of proceeds of IPO are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-
General purposes	3,918.03	-	3,918.03
Total	45,699.96	4,681.93	41,018.03

Note: Proposed utilisation amount was arrived at after deducting Rs. 1,800.00 million for issue expenses

17 Subsequent to reporting date, Embassy Office Parks REIT has raised Rs. 30,000 millions by issuing 300,000 Indian Rupee denominated, listed, rated, redeemable, non-convertible debentures on private placement basis. The debentures are redeemable over a period of 3 years.

18 There was no income or expenditure in foreign currency during the current year (previous year: Nil).

19 There are no foreign currency denominated payables/ receivables at the balance sheet date for the current year (previous

20 The trust outsources its manpower and technology assistance requirements and does not have any employee on its roles and hence does not incur any employee related benefits/costs

21 No managerial remuneration is payable to directors during the year (previous year: Nil)

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Pvt Ltd

(As Manager to the Embassy Offices Parks REIT)

Sd/-

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 May 2019

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019

B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Independent Auditor's Report

To the Board of Directors

Embassy Office Parks Management Services Private Limited ('EOPMSPL' or 'the Manager')
1st Floor, Embassy Point,
150, Infantry Road,
Bangalore-560001

Report on audit of Special Purpose Condensed Combined Financial Statements

Opinion

We have audited the accompanying Special Purpose Condensed Combined Financial Statements ('Special Purpose Condensed Combined Financial Statements') of the Embassy Office Parks Group (as defined in note 1 of the Special Purpose Condensed Combined Financial Statements) which comprise the Combined Balance Sheet as at 31 March 2019; the Combined Statement of Profit and Loss, the Combined Statement of Changes in Equity, the Combined Statement of Cash Flow, and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2019 (together referred to as the Special Purpose Condensed Combined Financial Statements), annexed to this report.

The Special Purpose Condensed Combined Financial Statements have been prepared in accordance with the basis of preparation as set out in note 2.1 to the Special Purpose Condensed Combined Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Condensed Combined Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Embassy Office Parks Group as at 31 March 2019 and of its profit, its changes in equity, and its cash flows for the year ended 31 March 2019, in accordance with the basis of preparation set out in note 2.1 to the Special Purpose Condensed Combined Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for Audit of Special Purpose Condensed Combined Financial Statements section of our report. We are independent of the Group and its jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

1. We draw attention to note 2.1 (c) of the basis of preparation paragraph to the Special Purpose Condensed Combined Financial Statements which states that the basis of preparation of the Special Purpose Condensed Combined Financial Statement is significantly different and results in a significantly different view of the state of affairs of the Embassy Office Parks Group as at 31 March 2019 and its profit, its changes in equity and its cash flows for the year then ended, than the basis of the preparation of the consolidated financial statement of the Embassy Office Parks Group (if it were prepared), in accordance with the Indian Accounting Standards, as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), and the view that such consolidated financial statement would present of the state of affairs of the Embassy Office Parks Group as at 31 March 2019 and its profit, its changes in equity and its cash flows for the year then ended.
2. We also draw attention to note 46(iv) to the Special Purpose Condensed Combined Financial Statements which refers to the uncertainty in relation to the pending case as at 31 March 2019 against the demand order to pay a sum of Rs.2,739.50 million (including interest and penalty demanded) towards the differential property tax payable by Manyata Promoters Private Limited (MPPL) for the period 2008-09 to 2015-16. MPPL is contesting that the schedule property is developed as a special economic zone and is not to be classified under the category under which the Assistant Revenue Officer has raised the demand. MPPL filed a Writ Petition against the demand order which was dismissed by the Honourable High Court of Karnataka which had upheld the demand made by Bruhat Bengaluru Mahanagara Palike (BBMP). Against the order passed by a single judge for the dismissal of the Writ Petition, MPPL filed an appeal before the Honourable High Court of Karnataka and the same had been admitted by the High Court on 27 June 2016. The matter had been posted for hearing in the Honourable High Court of Karnataka on 29 August 2016. However, as of the date of these Special Purpose Condensed Combined Financial Statements, no further developments have taken place. The Management believes that MPPL has reasonable grounds to succeed with the said Writ Petition based on an independent legal opinion obtained and accordingly, MPPL has not made any provision in relation to the demand. As at 31 March 2019, MPPL has paid Rs. 569.40 million.
3. We also draw attention to note 46(iv) to the Special Purpose Condensed Combined Financial Statements which refers to the uncertainty in relation to the pending case as at 31 March 2019, against the demand order to pay a sum of Rs. 760.07 million (including interest and penalty demanded) towards the difference of property tax based on the total survey report of certain buildings of MPPL. MPPL is contesting this demand before The Joint Commissioner, BBMP, Bytarayanapura, Bangalore objecting the total survey report and property tax assessment notice. The same is still pending for disposal. As of the date of these Special Purpose Condensed Combined Financial Statements, no further developments have taken place. The Management believes that MPPL has reasonable grounds to succeed in the said appeal based on an independent legal opinion obtained and accordingly MPPL has not made any provision in relation to the demand. As at 31 March 2019, MPPL has paid Rs 357.29 million under protest against the above demand.

Our opinion is not modified in relation to the above matters.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Condensed Combined Financial Statements

The Manager is responsible for the preparation and presentation of these Special Purpose Condensed Combined Financial Statements that give a true and fair view of the combined state of affairs, combined profit and other comprehensive income, combined changes in equity, combined cash flows of the Embassy Office Parks Group in accordance with the basis of preparation as set out in note 2.1 to the Special Purpose Condensed Combined Financial Statements. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Special Purpose Condensed Combined Financial Statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Condensed Combined Financial Statements (continued)

The respective Managements of the SPVs (as defined in note 1 to the Special Purpose Condensed Combined Financial Statements) are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (“the Act”) for safeguarding the assets of the SPVs and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Special Purpose Condensed Combined Financial Statements by the Manager as aforesaid.

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

The Manager is also responsible for overseeing the Embassy Office Parks Group’s financial reporting process.

Auditor’s Responsibility for Audit of Special Purpose Condensed Combined Financial Statements

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

We also conducted our audit in accordance with (a) the terms of reference vide our engagement letter to carry out work on such Special Purpose Condensed Combined Financial Statements of Embassy Office Parks Group for the purpose of providing information to the unit holders of the Trust; (b) Guidance Note on Combined and Carve-out Financial Statements, to the extent applicable to these Special Purpose Condensed Combined Financial Statements.

As part of an audit in accordance with Standards on Auditing issued by the ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Condensed Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 whether the Embassy Office Parks Group has in place an adequate internal financial control system with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Auditor's Responsibility for Audit of Special Purpose Condensed Combined Financial Statements (Continued)

- 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Condensed Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Embassy Office Parks Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Condensed Combined Financial Statements, including the disclosures, and whether the Special Purpose Condensed Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the Special Purpose Condensed Combined Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities. For the other entities included in the Special Purpose Condensed Combined Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Embassy Office Parks Group and such other entities included in the Special Purpose Condensed Combined Financial Statements of which we are the independent auditors 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.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Condensed Combined Financial Statements.

Basis of Accounting

Without modifying our opinion, we draw attention to note 2.1 to the Special Purpose Condensed Combined Financial Statements which describes the basis of preparation of the Special Purpose Condensed Combined Financial Statements. The Special Purpose Condensed Combined Financial Statements have been prepared by the Manager to meet the specific requirements of the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("Guidance Note") for the purpose of providing information to the Unit holders and it is not in compliance with the requirements of Schedule III of the Companies Act, 2013. As a result, these Special Purpose Condensed Combined Financial Statements may not be suitable for any other purpose and should not be relied by any other person for any other purpose.

B S R & Associates LLP

Restrictions on Use

This report is intended solely for your information and for providing information to the unit holders of the Trust and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231 W/W-100024

Sd/-

Rushank Muthreja

Partner

Membership No: 211386

Place: Bengaluru

Date: 28 May 2019

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Combined Balance Sheet

(all amounts in Rs. millions unless otherwise stated)



	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,394.48	10,398.30
Capital work-in-progress	4	1,236.53	4,970.19
Investment property	5	69,663.11	66,610.50
Investment property under development	7	4,805.47	4,600.09
Goodwill on combination	6	153,100.74	8,119.37
Other intangible assets	6A	2,826.79	2,911.75
Equity accounted investee	8	6,710.19	5,558.67
Financial assets			
- Investments	9	314.89	389.58
- Loans	11	583.63	828.72
- Other financial assets	12	2,984.63	2,048.34
Deferred tax assets (net)	13	856.28	541.82
Non-current tax assets (net)	14	1,456.60	922.80
Other non-current assets	15	8,045.63	8,102.58
Total non-current assets		269,978.97	116,002.71
Current assets			
Inventories	16	5.42	8.90
Financial assets			
- Investments	10	1,630.91	2,518.17
- Trade receivables	17	335.86	378.35
- Loans	18	965.49	9,278.31
- Cash and cash equivalents	19	49,612.71	1,483.36
- Other bank balances	19A	1,455.99	696.11
- Other financial assets	20	1,107.75	4,496.49
Other current assets	21	354.50	292.82
Total current assets		55,468.63	19,152.51
Total assets		325,447.60	135,155.22

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Combined Balance Sheet

(all amounts in Rs. millions unless otherwise stated)



	Note	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	22A	229,039.26	-
Capital	22B	-	4,481.90
Instruments entirely equity in nature	23	-	8.57
Other equity	24	(94.47)	30,298.79
Total equity		228,944.79	34,789.26
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	25	68,033.29	75,908.65
- Other financial liabilities	26	2,793.28	2,812.83
Provisions	28	5.08	5.20
Deferred tax liabilities (net)	27	3,363.42	2,519.54
Other non-current liabilities	29	661.35	647.73
Total non-current liabilities		74,856.43	81,893.95
Current liabilities			
Financial liabilities			
- Borrowings	30	3,212.36	3,550.57
- Trade payables	31		
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises.		449.99	416.91
- Other financial liabilities	32	17,279.58	13,711.78
Provisions	33	4.20	0.33
Other current liabilities	34	672.05	765.23
Current tax liabilities (net)	35	28.20	27.19
Total current liabilities		21,646.38	18,472.01
Total equity and liabilities		325,447.60	135,155.22
Significant accounting policies	2		

The notes referred to above are an integral part of these Special Purpose Condensed Combined Financial Statements.

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W / W-100024

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Pvt Ltd

(as Manager to the Embassy Office Parks REIT)

Sd/-

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 May 2019

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements

Combined Statement of Profit And Loss

(all amounts in Rs. millions unless otherwise stated)



	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income and gains			
Revenue from operations	36	18,770.81	16,118.00
Other income	37	1,539.27	1,544.65
Total Income		20,310.08	17,662.65
Expenses			
Cost of materials consumed	38	58.19	54.55
Employee benefits expense	42	206.31	214.93
Operating and maintenance expenses	39	2,376.56	2,069.35
Other expenses	40	2,532.46	1,720.14
		5,173.52	4,058.97
Earnings before finance costs, depreciation, amortisation and income tax excluding share of profit of equity accounted investee			
		15,136.56	13,603.69
Finance costs (net)	41	7,059.81	6,312.26
Depreciation and amortisation expense and impairment	43	3,563.19	3,228.17
Impairment loss on property, plant and equipment	3 and 4	-	1,195.29
Profit before share of profit of equity accounted investees and income tax		4,513.56	2,867.97
Share of profit of equity accounted investee (net of income tax)		1,151.53	959.95
Profit before income tax		5,665.09	3,827.92
Tax expense:			
Current tax	44	1,417.26	1,297.88
Deferred tax charge	44	883.69	745.45
MAT credit entitlement	44	(289.15)	(784.49)
		2,011.80	1,258.84
Profit for the year		3,653.29	2,569.08
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability, net of tax		0.51	1.41
Total comprehensive income for the year		3,653.80	2,570.49

Earning per Unit - refer note 45

Significant accounting policies

2

The notes referred to above are an integral part of these Special Purpose Condensed Combined Financial Statements.

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W / W-100024

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Pvt Ltd

(as Manager to the Embassy Office Parks REIT)

Sd/-

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

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DIN: 00027674

Place: Bengaluru

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Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Combined Statement of Cash Flow
(all amounts in Rs. millions unless otherwise stated)



	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Profit before income tax	5,665.09	3,827.92
<i>Adjustments:</i>		
Share of profits of equity accounted investees	(1,151.53)	(959.95)
Increase/ (decrease) in equity of carved out financial statements	-	1,813.98
Interest income and fair value change in financial assets	(1,293.19)	(1,433.12)
Dividend income received	-	(0.50)
Profit on sale of investments	(150.56)	(31.52)
Liabilities no longer required written back	(43.95)	(2.53)
Finance costs	7,059.81	6,312.27
Depreciation and amortisation expense	3,563.19	3,228.17
Assets and other balances written off	14.51	14.42
Loss on settlement of liability through issue of equity instrument	407.40	-
Allowances for credit losses	28.37	4.91
Loss on retirement of property, plant and equipment	3.30	64.08
Impairment loss on property, plant and equipment	-	1,195.29
Operating cash flows before working capital changes	14,102.44	14,033.41
Changes in:		
Trade receivables	14.00	(20.67)
Inventories	3.48	(0.76)
Other non-current and current financial and non-financial assets	(928.95)	(690.05)
Other non-current and current liabilities and provisions	989.86	371.74
Trade payables	77.03	128.08
Cash generated from operations	14,257.86	13,821.75
Income taxes paid, net	(1,863.10)	(1,314.10)
Net cash generated from operating activities	12,394.76	12,507.65
Cash flow from investing activities		
(Purchase) of / Proceeds from sale of investment property, property, plant, equipment and intangible assets (net)	(7,328.31)	(19,584.14)
Assets acquired as per Business Transfer Agreement (refer note 47)	(4,681.93)	-
Inter-corporate deposits taken / (given)	11,934.66	(5,837.10)
(Increase) / decrease in fixed deposits, net	(1,577.27)	95.08
Interest received	1,596.75	1,132.43
Dividend income received	-	0.50
Redemption / (Investments) in mutual funds, (net)	1,112.51	(1,170.32)
Net cash generated from / (used in) investing activities	1,056.41	(25,363.54)
Cash flow from financing activities		
Proceeds from Issue of Units (Net of issue expenses)	47,499.96	-
Redemption of debentures	(1,000.00)	-
Finance costs paid	(7,176.55)	(5,515.35)
Proceeds from borrowings, net	(4,598.80)	19,335.45
Payment on capital reduction	-	(2,191.48)
Issue of preference shares	-	8.57
(Redemption) of preference shares	-	(8.46)
Net cash generated from / (used in) financing activities	34,724.61	11,628.73

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Combined Statement of Cash Flow

(all amounts in Rs. millions unless otherwise stated)



	For the year ended 31 March 2019	For the year ended 31 March 2018
Net increase/ (decrease) in cash and cash equivalents	48,175.78	(1,227.16)
Cash and cash equivalents at the beginning of the year	1,436.93	2,664.10
Cash and cash equivalents at the end of the year	49,612.71	1,436.94
Cash and cash equivalents comprise:		
Cash on hand	0.48	0.47
Balances with banks		
- in current accounts	3,449.15	933.09
- in escrow accounts	45,580.11	486.02
- in deposit accounts with original maturity below three months	582.97	63.78
Less: Book Overdraft	-	(46.42)
Cash and cash equivalents at the end of the year (refer note 19)	49,612.71	1,436.94

As per our report of even date attached:
for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W / W-100024

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Pvt Ltd
(as Manager to the Embassy Office Parks REIT)

Sd/-
Rushank Muthreja
Partner
Membership number: 211386

Place: Bengaluru
Date: 28 May 2019

Sd/-
Jitendra Virwani
Director
DIN: 00027674

Place: Bengaluru
Date: 28 May 2019

Sd/-
Tuhin Parikh
Director
DIN: 00544890

Place: Bengaluru
Date: 28 May 2019

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Combined Statement of Changes In Equity
(all amounts in Rs. millions unless otherwise stated)



A. Capital (Upto 21 March 2019)

	Equity	Instrument entirely equity in nature
Balance as at 1 April 2017	4,279.11	8.46
Add: Increase in equity of carved out entity (EODPL)	1,813.98	-
Add: Loss of carved out entity taken directly to equity (EODPL)	(1,607.43)	-
Equity shares cancelled due to capital reduction in GSPL	(2.17)	-
Redemption of series B preference shares in GSPL	-	(8.46)
Issue of series C preference shares in GSPL	-	8.57
Shares cancelled due to capital reduction in QBPL	(1.59)	-
Balance as at 31 March 2018	4,481.90	8.57
Balance as on 1 April 2018	4,481.90	8.57
Balance as on 21 March 2019	4,481.90	8.57

B. Unit Capital (from 22 March 2019)

Balance as on 1 April 2018	-
Add: Units issued during the year (refer note 22A)	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at 31 March 2019	229,039.26

C. Other equity

Particulars	Capital Reserve pursuant to scheme of arrangement	Capital redemption reserve	General Reserve	Securities Premium	Debt Redemption Reserve	Retained Earnings	Amalgamation / Demerger Reserve	Other component of equity	Equity component of 0.01% Non-convertible redeemable debentures	Equity component of optionally convertible redeemable debentures	Equity component of 0.01% Optionally convertible preference shares	Equity portion of Interest free loans	Contribution from equity participants	Total
Balance as on 1 April 2017	(594.12)	660.28	6,118.18	25,580.85	88.21	(1,253.95)	(2,189.37)	(16.29)	46.12	546.02	49.36	28.82	608.47	29,672.59
Profit for the year	-	-	-	-	-	2,569.08	-	-	-	-	-	-	-	2,569.08
Other comprehensive income (net of tax)	-	-	-	-	-	1.41	-	-	-	-	-	-	-	1.41
Total comprehensive income	(594.12)	660.28	6,118.18	25,580.85	88.21	1,316.54	(2,189.37)	(16.29)	46.12	546.02	49.36	28.82	608.47	32,243.07
Transactions with owners, recorded directly in equity														
Waiver of loan to shareholder treated as equity transaction*	-	-	-	-	-	(1,363.98)	-	-	-	-	-	-	-	(1,363.98)
Premium on capital reduction	-	(252.27)	-	(277.10)	-	(1,658.36)	-	-	-	-	-	-	-	(2,187.73)
Loss of carved out business directly moved to equity share capital (EODPL)	-	-	-	-	-	1,607.43	-	-	-	-	-	-	-	1,607.43
Total contribution by owners	(594.12)	408.01	6,118.18	25,303.75	88.21	(98.37)	(2,189.37)	(16.29)	46.12	546.02	49.36	28.82	608.47	30,298.78
Balance as at 31 March 2018	(594.12)	408.01	6,118.18	25,303.75	88.21	(98.37)	(2,189.37)	(16.29)	46.12	546.02	49.36	28.82	608.47	30,298.78
Balance as on 1 April 2018	(594.12)	408.01	6,118.18	25,303.75	88.21	(98.37)	(2,189.37)	(16.29)	46.12	546.02	49.36	28.82	608.47	30,298.78
Profit for the year	-	-	-	-	-	3,653.29	-	-	-	-	-	-	-	3,653.29
Elimination on consolidation (refer note 2.1(c) and 2.1(d))	594.12	(408.01)	(6,118.18)	(25,303.75)	(88.21)	(3,649.38)	2,189.37	16.29	(46.12)	(546.02)	(49.36)	(28.82)	(608.47)	(34,046.54)
Capital reserve on consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	(94.47)	-	-	-	-	-	-	-	(94.47)

* EOPPL had provided a loan of Rs 1,131.00 million to one of its shareholder during the year ended 31 March 2011. The loan carried market interest rates and was repayable on 1 April 2019. The interest on such loan was paid by the shareholder every year except for the year ended 31 March 2017 and the loan balance including interest accrued of Rs 1,246.10 million as at 31 March 2017 was confirmed as payable by the shareholder. During the year ended 31 March 2018, based on mutual discussions, the Board of EOPPL (which comprises of two shareholders who are equal joint ventures) approved waiver of the above aggregate loan balances including interest accrued during the financial year ended 31 March 2018 and such waiver has been treated as a shareholder transaction during the year by EOPPL and has accordingly been recorded directly in the statement of changes in equity.

As per our report of even date attached:

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W / W-100024

Sd/-
Rushank Muthreja
Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

for and on behalf of the Board of Directors of
Embassy Office Parks Management Services Pvt Ltd
(as Manager to the Embassy Office Parks REIT)

Sd/-
Jitendra Virwani
Director

DIN: 00027674

Place: Bengaluru

Date:

Sd/-
Tubin Parikh
Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019

1. Organisation structure

The special purpose condensed combined financial statements ('Condensed Combined Financial Statements') comprise financial statements of Embassy Office Parks Real Estate Investment Trust (the 'Embassy Office Parks REIT' or the 'Trust') and the financial statements of Embassy Office Parks Private Limited ('EOPPL'), Manyata Promoters Private Limited ('MPPL'), Umbel Properties Private Limited ('UPPL'), Embassy-Energy Private Limited ('EEPL'), Galaxy Square Private Limited ('GSPL'), Quadron Business Park Private Limited ('QBPL'), Qubix Business Park Private Limited ('QBPPL'), Oxygen Business Park Private Limited ('OBPPL'), Earnest Towers Private Limited ('ETPL'), Vikhroli Corporate Park Private Limited ('VCPPL') and Indian Express Newspapers (Mumbai) Private Limited ('IENMPL') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Embassy Office Parks Group'). The SPVs are companies domiciled in India. The carved out business of Embassy One Developers Private Limited ('EODPL') comprising hotel, commercial leasing and retail was considered as an SPV for the year ended 31 March 2018 and hence the related carved out financial statements are included in the comparative figures. Effective 29 March 2019, QBPL purchased the carved out business of EODPL. Consequently, the carved out business of EODPL is not a separate SPV as at and for the year ended 31 March 2019.

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') collectively known as (the 'Sponsors' or the 'Co-Sponsor') have set up the Embassy Office Parks REIT as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and the Trust has been registered with SEBI as a Real Estate Investment Trust on 3 August 2017 under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The Trustee to Embassy Office Parks REIT is Axis Trustee Services Limited (the 'Trustee') and the Manager for Embassy Office Parks REIT is Embassy Office Parks Management Services Private Limited (the 'Manager' or 'EOPMSPL').

Embassy Office Parks REIT acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders on 22 March 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at Rs. 300 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 1 April 2019.

The Trust 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 applicants on 27 March 2019 and were subsequently listed on the BSE and NSE on 1 April 2019.

Accordingly, the equity interest in each of the SPVs (directly or indirectly, through their holding companies) have been transferred from the respective shareholders to the Trust.

The Units were listed on the stock exchanges on 1 April 2019 and the Management believes that the obligations as per the SEBI (Listing Obligations and Disclosure Requirements), 2015 and the subsequent amendments does not fully apply to the Trust with respect to its financial statements for the year ended 31 March 2019. However, the Management has decided to voluntarily present the special purpose condensed combined financial statements ('Condensed Combined Financial Statements') for the year ended 31 March 2019 with the comparative figures for the year ended 31 March 2018.

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Notes to Accounts (continued)



(all amounts in Rs. millions unless otherwise stated)

All the SPV's listed above have been combined in the Embassy Office Parks Group's Condensed Combined Financial Statements on a line by line basis and the pre-allotment and post-allotment shareholding and activities in each of the SPVs is as presented below:

Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
EOPPL	Development and leasing of office space and related interiors (Embassy Tech Zone), located at Pune along with being an intermediate Embassy Office Parks investment company for the Embassy Office Parks Group.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Ltd: 49.75% SG Indian Holding (NQ) Co II Pte. Ltd: 0.03% SG Indian Holding (NQ) Co III Pte. Ltd: 0.22%	Embassy Office Parks REIT : 100%
MPPL	Development and leasing of office space and related interiors (Manyata Embassy Business Park), located at Bangalore.	EOPPL : 35.77% BRE/Mauritius Investments: 36.97% Reddy Veeranna: 27.00% Suguna Reddy: 0.26%	EOPPL : 35.77% Embassy Office Parks REIT : 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton residences).	EPDPL: 58% D M Estates Private Limited: 29% Golflinks Properties Private Limited: 13%	Embassy Office Parks REIT : 100%
EEPL	Generation and supply of solar power to the office spaces of Embassy Office Parks Group located in Bangalore.	EOPPL: 80% EPDPL: 10% Rana George: 10%	EOPPL: 80% Embassy Office Parks REIT : 20%
GSPL	Development and leasing of office space and related interiors and maintenance of such assets (Galaxy Business Park), located in Noida.	BREP GML Holding (NQ) Pte. Ltd.: 79.62% BREP VII GML Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS GML Holding (NQ) Ltd.: 0.38% BREP VII SBS GML Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
QBPL	Development and leasing of office space and related interiors and maintenance of such	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT : 100%

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Notes to Accounts (continued)
(all amounts in Rs. millions unless otherwise stated)



Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
	assets (Quadron Business Park), located in Pune.		
QBPL	Development and leasing of office space and related interiors and maintenance of such assets (Qubix Business Park), located in Pune.	BREP NTPL Holding (NQ) Pte. Ltd.: 79.62% BREP VII NTPL Holding (NQ) Pte. Ltd.: 19.89% BREP VII SBS NTPL Holding (NQ) Ltd.: 0.38% BREP VII NTPL Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
OBPL	Development and leasing of office space and related interiors and maintenance of such assets (The Oxygen Park), located in Noida.	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Ltd.: 19.89% BREP Asia SBS Oxygen Holding (NQ) Ltd.: 0.39% BREP VII SBS Oxygen Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
ETPL	Development and leasing of office space and related interiors and maintenance of such assets (First International Financial Centre), located in Mumbai.	India Alternate Property Limited: 95.23% Preamsar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT : 100%
VCPL	Development and leasing of office space and related interiors and maintenance of such assets (247 Park), located in Mumbai.	BREP Asia HCC Holding (NQ) Pte Ltd.: 79.81% BREP VII HCC Holding (NQ) Pte Ltd.: 19.89% BREP Asia SBS HCC Holding (NQ) Ltd.: 0.19% BREP VII SBS HCC Holding (NQ) Ltd.: 0.11%	Embassy Office Parks REIT : 100%
IENMPL	Development and leasing of office space and related interiors and maintenance of such assets (Express Towers Building), located in Mumbai.	Panchshil Techpark Private Limited: 51.07% BREP Asia SG Indian Holding (NQ) Co II Pte Limited: 37.27% BREP VII SG Indian Holding (NQ) Co II Pte Limited: 9.31% Shekhar Gupta jointly with Ms. Neelam: 2.11% BREP Asia SBS Holding (NQ) Co. XI Ltd.: 0.18% BREP VII SBS Holding (NQ) Co. XI Ltd.: 0.05%	Embassy Office Parks REIT : 100%

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Notes to Accounts (continued)
(all amounts in Rs. millions unless otherwise stated)



Name of the SPV	Activities	Shareholding (in percentage) upto 21 March 2019	Shareholding (in percentage) from 22 March 2019
EODPL (Carved out business)	Construction and operation of a Four Seasons hotel and leasing of commercial and retail space.	Embassy Inn Private Limited: 45% WWD Pearl Limited, Mauritius: 55%	The carved out business has been purchased by QBPL as per a Business Transfer Agreement and has been included as part of QBPL as on acquisition date. The shareholding of EODPL remains unchanged.

2. Significant accounting policies

2.1 Basis of preparation of special purpose condensed combined financial statements

The Special Purpose Condensed Combined Financial Statements of the Embassy Office Parks Group comprises the Combined Balance Sheets as at 31 March 2019; the Combined Statement of Profit and Loss, the Combined Statement of Cash Flow, the Combined Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information for the year ended 31 March 2019, and other additional financial disclosures. The Special Purpose Condensed Combined Financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on 28 May 2019. The Special Purpose Condensed Combined Financial Statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS') and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("Guidance Note").

The Condensed Combined Financial Statements are special purpose financial statements and have been voluntarily prepared by Embassy Office Parks Group and the Manager for the purpose of providing information to the Unit holders of the Trust. As a result, the Condensed Combined Financial Statements may not be suitable for any other purpose. Further the Condensed Combined Financial Statements are not prepared in accordance with the requirements of Schedule III notified under the Companies Act, 2013.

The Condensed Combined Financial Statements are prepared based on an assumption that all the assets and SPV's were part of Embassy Office Parks Group for the reporting periods even though Embassy Office Parks Group did not have any ownership in these SPVs until their acquisition on 22 March 2019 (refer note 1).

The Condensed Combined Financial Statements are presented in Indian Rupees in Millions, except when otherwise indicated.

Statement of compliance and transition to Ind-AS

The Condensed Combined Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read along with principles of "Guidance note on Combined and Carve-Out Financial Statements" issued by Institute of Chartered Accountants of India (ICAI).

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Notes to Accounts (continued)
(all amounts in Rs. millions unless otherwise stated)



Embassy Office Parks Group has complied with the minimum requirements for condensed financial statements as per Ind AS 34 on “Interim Financial Reporting” to the extent applicable.

These Condensed Combined Financial Statements for the year ended 31 March 2019 are the financial statements of the Embassy Office Parks Group and has been prepared in accordance with Ind AS.

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

The procedure for preparing Condensed Combined Financial Statements of the Embassy Office Parks Group are stated below:

- a) The Condensed Combined Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable.
- b) The financial statements of all the SPVs and the Trust were combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows. The financial statements of all the SPVs were combined based on the assumption that all the SPVs were part of a single group for the entire period. Goodwill is recognised in the Condensed Combined Financial Statements at excess of cost of investment over share of book value of net assets acquired on the date of acquisition.
- c) The basis of preparation of the special purpose condensed combined financial statement is significantly different and results in a significantly different view of the state of affairs of the Embassy Office Parks Group as at 31 March 2019 and its profit, its changes in equity and its cash flows for the year then ended, than the basis of the preparation of the consolidated financial statement of the Embassy Office Parks Group (if it were prepared), in accordance with Ind AS, and the view that such consolidated financial statement would present of the state of affairs of the Embassy Office Parks Group as at 31 March 2019 and its profit, its changes in equity and its cash flows for the year then ended.

Apart from other differences, for the preparation of the condensed combined financial statement for the year ended 31 March 2019, all the SPVs are combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows. Goodwill is recognised in the special purpose condensed combined financial statement at excess of cost of investment over share of book value of net assets acquired on the date of acquisition.

The preparation of Consolidated Financial Statement, (if it were prepared), as at the year-end would require the acquisition of the Special Purpose Vehicles by the Embassy Office Parks REIT (the “Trust”) as per Ind AS 103 Business Combinations which would require the assets and liabilities be recorded at fair value and the difference between the fair value of net assets acquired and the consideration paid would be accounted as goodwill/capital reserve. The balances of goodwill, investment property, property plant and equipment, capital work in progress, investment property under developments and intangible assets in the consolidated financials would therefore be significantly different than the values presented in the special purpose condensed combined financial statement.

Further, such consolidated financial statement, (if it were prepared), would reflect in its consolidated statement of profit and loss, the profit and loss of the acquired special purpose vehicles only from the date of acquisition i.e. from 22 March 2019 to 31 March 2019. Due to the above and the other differences between the basis of preparation of the special purpose condensed combined financial statement and the consolidated financial statements, if it were prepared, the special purpose condensed combined financial statement may not be representative of the position which may be reflected by the consolidated financial statement (if it were prepared).

- d) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Embassy Office Parks Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets) are eliminated in full.
- e) An order of the Honorable High Court of Allahabad dated 16 May 2016 accorded approval to the merger of Aachvis IT SEZ Infra Private Limited and Standard IT Web Solutions Private Limited into OBPPL with an Appointed Date of 1 April 2015. The transaction was recorded under purchase method of accounting under Indian GAAP during the year ended 31 March 2016. As the Merger Order was received after the Transition Date to Ind AS i.e 1 April 2015 the same should have been accounted for as Business Combination under common control under Ind AS 103 “Business Combination” however, the same has been accounted for as per the accounting provided in the Order of the Honorable High Court of Allahabad from 1 April 2015.

Further, as required under Appendix C to Ind-AS 103 – Business Combinations which states that the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, the Embassy Office Parks Group has applied the above accounting treatment for opening balances as at 1 April 2015.

- f) EEPL was acquired by EOPPL on 6 January 2017. However, the Condensed Combined Financial Statements have been prepared and presented as if the SPV was part of the Embassy Office Parks Group since EEPL was incorporated on 27 August 2015.
- g) The carrying amount of EOPPL’s investments in EEPL (80%) and MPPL (35.77%) have been offset/ eliminated against the net worth of such investments on the respective dates of acquisition and the excess of cost of investment over such net worth has been disclosed as Goodwill. Refer note 6. The remaining interest in EEPL and MPPL i.e. 20% and 64.23% respectively, was acquired by the Embassy Office Parks REIT on 22 March 2019 and accordingly has not been eliminated for the year ended 31 March 2018. However, for the year ended 31 March 2019, the remaining net-worth of EEPL and MPPL i.e. 20% and 64.23% respectively have been eliminated and the excess of cost of such investments over net worth has been disclosed as Goodwill.
- h) For the year ended 31 March 2018, equity share capital and other reserve balances of all the SPVs have been combined on a line by line basis and eliminations have been done for the combination of MPPL and EEPL to the extent of their stake held by EOPPL as specified above. The net balances have been disclosed as the capital / other equity of the Embassy Office Parks Group as at 31 March 2018. Considering that the balance shareholders i.e. equity stake not held by EOPPL will also be transferring their stake to the Embassy Office Parks REIT, Non-Controlling Interest is not applicable.

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Notes to Accounts (continued)
(all amounts in Rs. millions unless otherwise stated)



For the year ended 31 March 2019, Units have been issued by the Embassy Office Parks REIT to the shareholders of the respective SPVs. The equity share capital and other reserves have been eliminated against the cost of acquiring these investments by the Embassy Office Parks REIT. The net balances have been disclosed as the goodwill / capital reserve on consolidation of the Embassy Office Parks Group. Considering that all SPVs are 100% owned by Embassy Office Parks REIT, Non-Controlling Interest is not applicable.

- i) The Embassy Office Parks REIT had agreed to purchase (through one of its SPVs) certain assets of EODPL relating to the hotel, commercial leasing and retail business out of the proceeds of the proposed listing of units of the REIT. As required by the REIT regulations, the carved out financial statements of EODPL have been included in these Condensed Combined Financial Statements for the year ended 31 March 2018. The carved out financial statements of EODPL has been prepared as per the Guidance Note on Combined and Carve-Out Financial Statements. However, during the year ended 31 March 2019, QBPL has completed the purchase of these assets of EODPL and accordingly the carved out financials statements of EODPL has not been included in these Condensed Combined Financial Statements for the year ended 31 March 2019.

In preparation of the carved out financial statements of EODPL for the year ended 31 March 2018 the assets, liabilities, income and expenses specific to the business proposed to be acquired has been included as per the allocation methodology specified below:

Investment property (for commercial leasing and retail business), property, plant and equipment and capital work in progress (for hotel business), capital advances, balances with government authorities, retention dues payable, payable for purchase of fixed assets and impairment loss on property, plant and equipment are directly attributable to the carved out business and have been specifically identified and carved out.

The following items of assets, liabilities, income and expenses have been allocated on the basis specified below:

Financial statement caption	Basis of allocation
Borrowings - Loan from banks	In the ratio of allocation specifically agreed with the banks
Inter corporate deposits	In the ratio of allocation specifically agreed with the banks
Interest accrued on inter corporate deposits	In the ratio of allocation specifically agreed with the banks
Payable for expenses	In the ratio of costs incurred towards hotel, commercial and retail compared with total costs (including residential business)
Finance cost	On the basis of borrowings
Depreciation	In the ratio of costs incurred towards hotel, commercial and retail compared with total costs (including residential business)
Other expenses	In the ratio of costs incurred towards hotel, commercial and retail compared with total costs (including residential business)

All other items of assets, liabilities, income and expenses which were pertaining to the residential business have been excluded in entirety from the carved-out financial statements of EODPL.

The difference between the assets and liabilities of the carved out financial statements as at 31 March 2018 has been disclosed as 'Capital' in accordance with the requirements of the Guidance notes. The resulting financial position may not be which might have existed if the carved out business had been a standalone business. The information presented in the comparative figures in the Condensed Combined Financial Statements in relation to the carved out financial statements of EODPL may not be representative of the position which may prevail after the asset purchase transaction.

- j) The tax expense involves aggregation of the tax expenses actually incurred by the combining businesses in accordance with para 33 of the Guidance Note on Combined and Carve-Out Financial Statements.
- k) EOPPL has 50% investment in the equity shares of GLSP which is a company that has completed rent generating properties and derives more than seventy five per cent of its operating income from real estate activity as per the audited financial statements for the year ended 31 March 2019 and 31 March 2018. Hence the Manager believes that as per regulation 18(5) of the REIT regulation, the REIT can continue to hold investment in equity shares of GLSP. As GLSP does not meet the definition of an SPV, the same has not been consolidated in the Condensed Combined Financial Statements and has been initially recognised as investment at cost which includes transaction costs. Subsequent to initial recognition, the investment in GLSP has been measured in the Condensed Combined Financial Statements using equity method, and accordingly has included GLSP's share of profit or loss including OCI and other equity.
- l) The figures in the notes to accounts and disclosures have been combined line by line and only transactions and balances between the SPVs and other SPVs or Embassy Office Parks REIT have been eliminated.
- m) VCPPL was acquired by the erstwhile shareholders on 10 July 2015. The combination has been done assuming that the REIT owns the SPVs for the past three years even if they were acquired post the first day of the first period presented in these Condensed Combined Financial Statements. Hence, the Condensed Combined Financial Statements have been prepared and presented as if the SPV was part of the Embassy Office Parks Group since the first day of the reporting period.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

The Condensed Combined Financial Statements are presented in Indian Rupees, which is the Embassy Office Parks Group's functional currency and the currency of the primary economic environment in which the Embassy Office Parks Group operates. All financial information presented in Indian Rupees has been rounded off to nearest million except unit and per unit data.

b) Basis of measurement

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instrument): measured at fair values; and

(all amounts in Rs. millions unless otherwise stated)

- Net defined benefit (asset)/ liability less present value of defined obligations: Fair value of plan assets less present value of defined benefit plan.

c) Use of judgments and estimates

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

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

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

- i) Classification of lease arrangements as finance lease or operating lease - Note 2.2 (t)
- ii) Straight lining of rent escalation on lease contracts not structured to increase in line with expected general inflation- note 2.2 (u)
- iii) Classification of assets as investment property or as property, plant and equipment – Note 2.2 (f) and (g)
- iv) Non consolidation / combination of investment in GLSP by EOPPL– refer note 2.1 (k)
- v) Judgements in preparing Condensed Combined Financial Statements– refer note 2.1

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes-

- i) Determining fair value of investment properties- The fair value of these investment properties is reviewed regularly by Management with reference to independent property valuations and market conditions existing at the reporting date. The independent valuers are leading independent appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Judgment is also applied in determining the extent and frequency of independent appraisals
- ii) Useful lives of Investment Property and property, plant and equipment– Refer Note 2.2(f) and (g)
- iii) Valuation of financial instruments – Refer Note 2.2 (n)
- iv) Recognition of deferred tax asset on carried forward losses and recognition of minimum alternate tax credit: availability of future taxable profit against which tax losses carried forward can be used- Note 2.2(x)

d) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;

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

All other assets are classified as non-current.

A liability is current when:

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

The Embassy Office Parks Group classifies all other liabilities as non-current.

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

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

e) Measurement of fair values

A number of the Embassy Office Parks Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Embassy Office Parks Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Embassy Office Parks Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Embassy Office Parks Group has an established control framework with respect to the measurement of fair values. The Embassy Office Parks Group engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

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

(all amounts in Rs. millions unless otherwise stated)

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

When measuring the fair value of an asset or a liability, the Embassy Office Parks Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f) Investment properties

On transition to Ind AS, the Embassy Office Parks Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property. Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Embassy Office Parks Group and the cost of the item can be measured reliably. The cost of the assets not ready for their intended use before such date, are disclosed as investment property under development. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated on straight-line method over their estimated useful lives for ETPL, MPPL, EOPPL, EEPL, UPPL, IENMPL, OBPPL, GSPL, QBPL, and EODPL and on written down value method for QBPPL and VCPPL. However, where the Management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Pursuant to this policy, Management's estimates of useful life of the following major assets under straight line method are as follows:

Asset category	Estimated useful life (in years)
Buildings	5 - 60 years
Plant and Machinery	15 - 20 years
Furniture and Fixtures	5 - 15 years
Electrical Equipments	10 years
Leasehold land*	30 - 99 years based on the primary lease period

Management's estimates of useful life of the following major assets under written down value method are as follows:

Asset category	Estimated useful life (in years)
Buildings	40 - 60 years

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Plant and Machinery	7 - 15 years
Furniture and Fixtures	7 - 10 years
Electrical Equipments	10 years
Leasehold land*	90 - 95 years based on the primary lease period

Pro-rata depreciation is provided on properties purchased or sold during the year.

*Upfront premium paid under lease-cum-sale agreements to acquire land where the Embassy Office Parks Group has an option to purchase the land at the end of/ during the lease term are not amortised over the lease period. Refer note 5 (ii)

Note: Plant and machinery, furniture and fixtures and electrical equipment which are physically attached to the building are considered as part of the investment property.

g) Property, plant and equipment and intangible assets

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets. The cost of such assets not ready for their intended use are disclosed as capital work-in-progress.

Intangible assets are recorded at their acquisition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Depreciation is provided on the straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Asset category	Estimated useful life (in years)
Buildings	3- 60 years
Plant and Machinery	15-25 years
Furniture and Fixtures	5-15 years
Electrical Equipments	10 years
Office Equipment	3-10 years
Computers	3 -6 years
Computer software	3 years
Operating supplies	2-5 years
Vehicles	8 years

Upfront premium paid under lease-cum-sale agreements to acquire land where the Embassy Office Parks Group has an option to purchase the land at the end of/ during the lease term are not amortised over the lease period. Refer note 3 (i)

Brand license and trademark are amortised on a straight line basis over the estimated useful life of 5 years.

When parts of an item of plant and equipment have different useful lives, they are treated as separate components and depreciated over their estimated useful lives.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Pro-rata depreciation is provided on all fixed assets purchased or sold during the year.

On transition to Ind AS, the Embassy Office Parks Group has elected to continue with the carrying value of all of its plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such plant and equipment.

h) Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Combined Statement Of Profit or Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

i) Inventory

Stores and operating supplies

Inventories (pertaining to UPPL) which comprises food and beverages and operating supplies are valued at lower of cost or net realisable value. Cost of inventories comprises purchase price, costs of conversion and other incidental costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

j) Impairment of non-financial assets

The Embassy Office Parks Group assesses, at each reporting date, whether there is an indication that a non-financial asset other than inventories and deferred tax assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Embassy Office Parks Group estimates the asset's recoverable amount. Goodwill is tested annually for impairment.

An impairment loss is recognised in the Combined Statement of Profit and Loss if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable unit. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Combined Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

k) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Embassy Office Parks Group's entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on foreign exchange transactions settled and from translations during the year are recognised in the Combined Statement of Profit And Loss of the year except exchange differences arising from the translation of the items which are recognised in OCI.

l) Goodwill on consolidation

Goodwill is recognised in the Condensed Combined Financial Statements at excess of cost of investment over share of book value of net assets acquired on the date of acquisition.

m) Equity accounted investees

Interests in associates and joint ventures are accounted for using the equity method, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Embassy Office Parks Group's share of the post-acquisition profits or losses of the investee in profit and loss, and Embassy Office Parks Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When Embassy Office Parks Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, Embassy Office Parks Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between Embassy Office Parks Group and its associates and joint ventures are eliminated to the extent of Embassy Office Parks Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are consistent with the policies adopted by the Embassy Office Parks Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the Embassy Office Parks Group's policy.

n) Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Embassy Office Parks Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through other comprehensive income (FVOCI)– debt instrument;
- Fair value through other comprehensive income (FVOCI)– equity instrument; or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Embassy Office Parks Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets 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 the principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

On initial recognition of an equity instrument that is not held for trading, the Embassy Office Parks Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Embassy Office Parks Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Embassy Office Parks Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the

business is managed and information is provided to the Management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Embassy Office Parks Group's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Embassy Office Parks Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Embassy Office Parks Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Embassy Office Parks Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Embassy Office Parks Group's claim to cash flows from specified assets (e.g. non – recourse features)

A prepayment feature is consistent with the solely payment of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

iii) Derecognition

Financial assets

The Embassy Office Parks Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Embassy Office Parks Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Embassy Office Parks Group enters into transactions whereby it transfers assets recognised in its Combined Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Embassy Office Parks Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Embassy Office Parks Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability

(all amounts in Rs. millions unless otherwise stated)

based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Combined Balance Sheet when, and only when, the Embassy Office Parks Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

o) Compound financial instruments

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not measured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in cost of asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

p) Impairment of financial assets

Financial assets

The Embassy Office Parks Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVTOCI- debt investments

At each reporting date, the Embassy Office Parks Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default or being past due for 180 days or more
- the restructuring of a loan or advance by the Embassy Office Parks Group on terms that the Embassy Office Parks Group would not consider otherwise
- it is probable that the borrower will enter bankruptcy or other financial reorganisation or
- the disappearance of an active market for a security because of financial difficulties

The Embassy Office Parks Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Embassy Office Parks Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Embassy Office Parks Group considers reasonable and supportable information that is relevant and availability without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Embassy Office Parks Group's historical experience and informed credit assessment and including forward-looking information.

The Embassy Office Parks Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Embassy Office Parks Group considers a financial asset to be default when:

- the borrower is unlikely to pay its credit obligations to the Embassy Office Parks Group in full, without recourse by the Embassy Office Parks Group to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due without any security

Measurement of expected credit losses: Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Embassy Office Parks Group and the cash flows that the Embassy Office Parks Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet: Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is charged to profit and loss account and is recognised in OCI.

Write-off: The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Embassy Office Parks Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Embassy Office Parks Group's procedures for recovery of amounts due.

Majority of the financial assets of the Embassy Office Parks Group pertain to Trade and other receivables. Considering the nature of business, the Embassy Office Parks Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. As per the agreement with tenants, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the Embassy Office Parks Group does not have any past history of significant impairment of Trade and other receivables.

q) Embedded derivatives

When the Embassy Office Parks Group becomes a party to a hybrid contract with a host that is not an asset within the scope of Ind AS 109 Financial Instruments, it identifies whether there is an embedded derivative. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

r) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

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

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

s) Rental support payments

Rental support payments received from the shareholders are treated as non-reciprocal capital contribution and therefore, considered in equity.

t) Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases in which the Embassy Office Parks Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Embassy Office Parks Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Embassy Office Parks Group's net investment in the leases.

iii. *Initial direct costs*

Initial direct costs such as brokerage expenses incurred specifically to earn revenues from an operating lease are capitalised to the carrying amount of leased asset and recognised over the lease term on the same basis as rental income.

u) **Revenue recognition**

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

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

Rental income from investment properties

Rental income from property leased under operating lease is recognised in the income statement on a straight-line basis over the term of the lease unless increase in rentals are in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income. The lease term is the non-cancellable period together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Embassy Office Parks Group is reasonably certain that the tenant will exercise that option. Contingent rents are recognised as revenue in the period in which they are earned.

Revenue from maintenance services is recognised as and when the services are rendered based on the terms of the contracts with the leases.

Income from finance lease

The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

Revenue from Room Rentals

Revenue from room rentals are based on the occupancy charged on the basis of room rates which are contracted (exclusive of applicable taxes).

Revenue from Food, beverages and banquets

Revenue from food and beverages are recorded as and when food is served. Revenue generated from the banquet services offered are charged on the basis of cover charges per person which is billed (exclusive of applicable taxes) based on guaranteed covers if actual cover is less than contracted.

Other operating income

Other operating income, including service charges on rooms and Food & Beverage (F&B) revenues and other hospitality-related operating income is recognised when the services are rendered and the same become chargeable. Revenue from other services is recognised on accrual basis as per the terms of the agreement.

Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Embassy Office Parks Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or

- The amortised cost of the financial liability.

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

Ind AS 115 Revenue from contracts with customers has been notified by Ministry of Corporate Affairs (MCA) on 28 March 2018 and is effective from the accounting periods beginning on or after 1 April 2018, replacing the existing revenue recognition standard. The Embassy Office Parks Group has adopted IndAS 115 Revenue from Contracts with Customers for the period beginning 1 April 2018. Management has computed the impact of IndAS 115 and the same is not significant.

v) Employee benefits
Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Embassy Office Parks Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Embassy Office Parks Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Embassy Office Parks Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Embassy Office Parks Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss

on curtailment is recognised immediately in profit or loss. The Embassy Office Parks Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Embassy Office Parks Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

w) Borrowing costs

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

x) Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the Combined Statement of Profit and Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

(i) Current tax:

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax, 1961 is recognised as current tax in the Combined Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Embassy Office Parks Group will pay normal income tax during the period for which MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Embassy Office Parks Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on initial recognition of goodwill.

Deferred income tax asset are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Embassy Office Parks Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Embassy Office Parks Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 realised simultaneously.

y) Provisions and contingencies

The Embassy Office Parks Group recognises a provision when there is a present obligation (legal or constructive) as a result of a past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

If the effect of the time value of money is material, provisions are discounted.

z) Operating segments

An operating segment is a component of the Embassy Office Parks Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by a representative of the Embassy Office Parks Group, the Embassy Office Parks Group's Chief Operating Decision Maker ('CODM'),

to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment result represents Net Operating Income which has been defined by the CODM as follows:

- **Commercial offices segment:**

NOI for commercial offices is defined as Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease and (iv) other operating income) less direct operating expenses (which includes (i) operating and maintenance expenses excluding repairs to buildings and property management fees (ii) property taxes, (iii) rent and (iv) insurance).

- **Other segments:**

NOI for other segments is defined as Revenue from operations (which includes (i) room rentals, (ii) sale of food and beverages, (iii) other operating income for hospitality, and (iv) income from generation of renewable energy) less direct operating expenses (which includes (i) cost of materials consumed, (ii) employee benefits expenses, (iii) operating and maintenance expenses excluding property management fees, and (iv) other expenses).

aa) Errors and estimates

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

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

bb) Subsequent events

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

cc) Cash and cash equivalents

Cash and cash equivalents in the Combined Balance Sheet comprises of cash at banks and on hand, deposits held at call with bank or financial institutions, 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.

dd) Combined Statement of Cash flows

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

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

ee) 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.

ff) Waiver of shareholders balances

Waiver of any loan given, interest receivable and any other receivable from shareholders are treated in the nature of dividend to shareholder(s) and therefore, considered directly into retained earnings.

gg) Earnings before finance costs, depreciation, amortisation and tax excluding share of profit of equity accounted investees

The Embassy Office Parks Group has elected to present earnings before interest, tax, depreciation, amortisation and tax excluding share of profit of equity accounted investees as a separate line item on the face of the Combined Statement of Profit and Loss. The Embassy Office Parks Group measures earnings before interest, depreciation, amortisation and tax excluding share of profit of equity accounted investees on the basis of profit/ (loss) from continuing operations. In its measurement, the Embassy Office Parks Group does not include depreciation and amortisation expense, finance costs, share of profit of equity accounted investees (net of income tax) and tax expense.

3 Property, plant and equipment

Reconciliation of carrying amounts for the year ended 31 March 2019 and for the year ended 31 March 2018

Particulars	Land-freehold	Land-leasehold (Refer note i)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)											
At 1 April 2017	760.74	1.79	1,668.63	860.55	826.00	337.79	112.31	20.54	70.12	6.34	4,664.82
Additions (Refer note iii)	-	-	185.95	6,530.36	7.62	12.02	0.11	1.05	-	0.45	6,737.56
Adjustments (Refer note ii)	-	-	(25.49)	(4.07)	(10.71)	(5.45)	(2.15)	(1.51)	(0.87)	-	(50.25)
Deletions	-	-	-	(2.42)	(0.02)	-	-	-	-	-	(2.44)
At 31 March 2018	760.74	1.79	1,829.10	7,384.42	822.89	344.35	110.28	20.08	69.25	6.79	11,349.68
At 1 April 2018	760.74	1.79	1,829.10	7,384.42	822.89	344.35	110.28	20.08	69.25	6.79	11,349.68
Business transfer during the year (refer note iv)	1,548.44	-	5,307.00	956.00	133.00	-	7.00	0.42	-	36.00	7,987.86
Additions (Refer note iii)	211.04	-	0.26	10.71	0.68	-	1.18	1.50	-	-	225.36
Adjustments (Refer note ii)	-	-	-	(1.76)	(3.60)	(0.23)	(3.36)	(2.57)	(18.22)	-	(29.73)
Deletion	(580.75)	(1.79)	-	(0.01)	-	-	-	-	-	(2.49)	(585.04)
At 31 March 2019	1,939.47	0.00	7,136.36	8,349.36	952.97	344.12	115.09	19.43	51.03	40.30	18,948.14
Accumulated depreciation											
At 1 April 2017	-	-	101.97	113.51	222.54	72.03	42.41	15.57	64.53	0.95	633.51
Charge for the year	-	-	46.16	89.59	117.59	36.76	21.56	3.38	2.78	0.58	318.41
Disposals	-	-	-	(0.55)	-	-	-	-	-	-	(0.55)
At 31 March 2018	-	-	148.13	202.55	340.13	108.79	63.97	18.95	67.31	1.53	951.37
At 1 April 2018	-	-	148.13	202.55	340.13	108.79	63.97	18.95	67.31	1.53	951.37
Charge for the year	-	-	52.13	401.82	115.80	36.17	20.13	0.40	1.69	0.61	628.74
Disposals	-	-	-	(0.55)	(2.02)	(0.09)	(3.04)	(2.57)	(18.19)	-	(26.45)
At 31 March 2019	-	-	200.26	603.83	453.91	144.88	81.05	16.78	50.81	2.14	1,553.66
Carrying amount (net)											
As at 31 March 2018	760.74	1.79	1,680.97	7,181.87	482.76	235.56	46.31	1.13	1.94	5.26	10,398.30
As at 31 March 2019	1,939.47	0.00	6,936.10	7,745.53	499.06	199.24	34.04	2.65	0.22	38.16	17,394.48

Notes:

- i) MPPL - The SPV has entered into land lease agreement with Karnataka Industrial Area Development Board (KIADB) for a period of 10 years from the lease date. As per the lease agreement KIADB shall sell the land to MPPL at any time during the tenure of the lease or on expiry of the lease period for an additional consideration, if any to be decided at the time of entering into sale agreement. Considering that the title to the said land shall be transferred to MPPL under the agreement, it had classified the land as a finance lease and no depreciation was charged on the same. During the year ended 31 March 2019, the said land amounting to Rs. 1.79 million has been converted into freehold land by executing a sale agreement.
- ii) Change in accounting estimate: During the year ended 31 March 2018, the cost of certain assets were adjusted to reflect changes in the original estimated cost.
- iii) During the year ended 31 March 2018 EEPL had capitalised the solar plant on 28 February 2018 which had been constructed on turnkey project basis by a vendor. EEPL had received approval for commercial operation on 28 February 2018 and hence the project had been capitalised. The solar plant was constructed on a piece of land, the title of which was not in the name of EEPL. The agreement for transfer of the complete land was entered in due course for a consideration of Rs. 296.60 million and was to be capitalised as freehold land. During the year ended 31 March 2019, a portion of the land has been transferred in the name of EEPL and has been capitalised amounting to Rs. 209.25 million.
- iv) During the year ended 31 March 2019, QBPL has purchased certain assets of EODPL relating to the hotel, commercial leasing and retail business out of the proceeds of the listing of Units of the REIT. These assets are part of QBPL as on 31 March 2019. Assets purchased by QBPL under business transfer agreement is constructed on land which is not registered in the name of the QBPL as at 31 March 2019. However the same has been registered in the name of the QBPL subsequent to balance sheet date.

5 Investment property

Reconciliation of carrying amounts for the year ended 31 March 2019 and for the year ended 31 March 2018

Particulars	Land-freehold	Land-leasehold (Refer notes)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Vehicle	Computer	Total
Gross block (cost or deemed cost)										
At 1 April 2017	2,147.75	10,981.56	46,101.53	6,938.63	1,460.07	2,828.11	63.43	-	1.60	70,522.67
Additions	218.22	-	2,724.17	672.84	105.11	110.49	8.68	-	0.97	3,840.48
Disposals	(67.50)	-	(109.61)	(59.95)	(207.51)	(48.91)	(0.06)	-	0.99	(492.55)
At 31 March 2018	2,298.47	10,981.56	48,716.09	7,551.51	1,357.67	2,889.69	72.06	-	3.56	73,870.61
At 1 April 2018	2,298.47	10,981.56	48,716.09	7,551.51	1,357.67	2,889.69	72.06	-	3.56	73,870.61
Business transfer during the year (refer note viii)	1,452.78	-	2,226.00	466.00	5.00	-	-	2.00	-	4,151.78
Additions	588.23	20.00	2,530.84	1,998.16	72.88	198.88	8.57	-	11.67	5,429.23
Disposals	-	(404.29)	(77.45)	(26.35)	(0.60)	(23.04)	(5.46)	-	(11.27)	(548.44)
Adjustments	(410.05)	-	(2,241.81)	(253.74)	(5.79)	(243.51)	-	-	-	(3,154.91)
At 31 March 2019	3,929.42	10,597.27	51,153.67	9,735.59	1,429.16	2,822.02	75.17	2.00	3.96	79,748.26
Accumulated depreciation										
At 1 April 2017	-	258.16	2,622.28	968.09	335.93	420.62	31.55	-	0.96	4,637.60
Charge for the year	-	142.42	1,684.85	603.84	163.89	210.61	16.50	-	0.55	2,822.67
Disposals	-	-	(0.45)	(9.71)	(167.99)	(21.93)	(0.06)	-	(0.02)	(200.16)
At 31 March 2018	-	400.59	4,306.68	1,562.22	331.84	609.30	47.99	-	1.49	7,260.11
At 1 April 2018	-	400.59	4,306.68	1,562.22	331.84	609.30	47.99	-	1.49	7,260.11
Charge for the year	-	150.63	1,741.67	594.06	159.22	193.27	18.05	-	(7.47)	2,849.43
Disposals	-	-	(9.40)	(4.37)	0.43	(6.41)	(2.96)	-	(1.66)	(24.39)
At 31 March 2019	-	551.22	6,038.95	2,151.90	491.49	796.16	63.07	-	(7.64)	10,085.15
Carrying amount (net)										
As at 31 March 2018	2,298.47	10,580.97	44,409.41	5,989.30	1,025.83	2,280.39	24.07	-	2.07	66,610.50
As at 31 March 2019	3,929.42	10,046.05	45,114.72	7,583.69	937.67	2,025.86	12.10	2.00	11.60	69,663.11

Notes:

- EOPL - The leasehold land is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years effective from 1 August 2005.
- MPPL - The SPV had entered into land lease agreement with Karnataka Industrial Area Development Board (KIADB) for a period of 10 years from the lease date. As per the lease agreement KIADB could sell the land to MPPL at any time during the tenure of the lease or on expiry of the lease period for an additional consideration, if any which had to be decided at the time of entering into sale agreement. Considering that the title to the said land was to be transferred to MPPL under the agreement, it had classified the land as a finance lease and no depreciation was charged on the same. During the year ended 31 March 2019, the said land amounting to Rs. 404.29 million has been converted into freehold land by executing a sale agreement.
- GSPL - The leasehold land of GSPL is taken from New Ohkla Industrial Development Authority (NOIDA) on a lease for a period of 90 years effective from 27 March 2006.
- QBPL - The SPV obtained leasehold land from Maharashtra Industrial Development Corporation ('MIDC') for a lease term of 95 years from 1 October 2005. As per the lease agreement QBPL can renew the lease for a further period of 95 years.
- ETPL - The leasehold land is taken from Mumbai Mahanagar Regional Development Authority (MMRDA) on a lease for a period of 80 years from 23 June 2008.
- OBPL - The SPV obtained leasehold land from New Ohkla Industrial Development Authority (NOIDA) for a lease term of 90 years from 21 September 2007.
- IENMPL - The SPV obtained leasehold land from the Government of Maharashtra on lease of 99 years from 10 August 1963.
- During the year ended 31 March 2019, the Embassy Office Parks REIT has purchased certain assets of EODPL relating to the hotel, commercial leasing and retail business out of the proceeds of the listing of Units of the REIT through its SPV QBPL under business transfer agreement. The assets constructed on land whose conveyance was registered subsequent to balance sheet date (refer note 47)
- Plant and machinery, furniture and fixtures and electrical equipment which are physically attached to the commercial buildings are considered as part of investment property.
- All of the above assets have been leased out to lessees / held for lease on operating lease basis.
- Change in accounting estimate: During the year ended 31 March 2018 the cost of certain assets were adjusted to reflect changes in the original estimated cost.

6 Goodwill on combination

Goodwill arising on consolidation is arrived at by applying the principles of consolidation as per "Ind AS 110 Consolidated Financial Statements" i.e. excess of cost of investment over share of net assets on the date of acquisition. Also refer note 2.1 to the Special Purpose Condensed Combined Financial Statements:

SPVs	As at	
	31 March 2019	31 March 2018
MPPL	49,590.94	8,104.62
EOPPL	47,100.97	-
EEPL	718.37	14.75
UPPL	2,357.83	-
ETPL	4,477.88	-
GSPL	4,922.84	-
IENMPL	7,483.18	-
OBPPL	9,340.51	-
QBPL	15,003.36	-
QBPL	1,422.47	-
VCPL	10,682.39	-
Total	153,100.74	8,119.37

6A Other intangible assets

Reconciliation of carrying amounts for the year ended 31 March 2019 and for the year ended 31 March 2018

Particulars	Goodwill on amalgamation*	Brand	Trademark	Computer software	Total
At 1 April 2017	2,639.62	392.42	6.31	45.52	3,083.88
Additions	-	133.80	-	27.11	160.91
At 31 March 2018	2,639.62	526.23	6.31	72.63	3,244.79
At 1 April 2018	2,639.62	526.23	6.31	72.63	3,244.79
Additions	-	-	-	0.05	0.05
At 31 March 2019	2,639.62	526.23	6.31	72.68	3,244.84
At 1 April 2017	-	215.67	0.66	29.60	245.93
Charge for the year	-	80.18	0.66	6.27	87.11
At 31 March 2018	-	295.85	1.32	35.87	333.03
At 1 April 2018	-	295.85	1.32	35.87	333.03
Charge for the year	-	76.07	0.66	8.28	85.02
At 31 March 2019	-	371.92	1.97	44.15	418.05
Carrying amount (net)					
As at 31 March 2018	2,639.62	230.36	4.99	36.78	2,911.75
As at 31 March 2019	2,639.62	154.30	4.34	28.53	2,826.79

* Goodwill had arisen due to amalgamation of Pune Infoport Private Limited (PIPL), holding company of IENMPL, with IENMPL as per the scheme of amalgamation approved by the Honorable High Court of Bombay.

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Notes to Accounts

(all amounts in Rs. millions unless otherwise stated)



7 Investment property under development (IPUD):

IPUD mainly comprises upcoming buildings in various parks. The park-wise SPV wise details are as follows:

SPV	Asset	Nature	Building/Block	As at 31 March 2019	As at 31 March 2018
MPPL	Building	Base build	Front Parcel	1,680.98	739.04
MPPL	Building	Base build	M3 block	1,018.00	526.16
MPPL	Building	Capex upgrade	Others	670.92	1,376.44
EOPPL	Building	Base build	Hudson	42.56	17.39
EOPPL	Building	Base build	Ganges	16.45	8.73
EOPPL	Building	Capex upgrade	Volga Training Centre	101.39	89.08
OBPL	Building	Base build	T2	1,099.28	599.32
OBPL	Building	Base build	T3	-	1,101.91
VCPL	Building	Capex upgrade	Embassy 247	175.91	-
ETPL	Building	Capex upgrade	FIFC	-	142.03
				4,805.47	4,600.09

4 Capital work-in-progress

Particulars	As at 31 March 2019	As at 31 March 2018
Embassy One - Hotel (Refer note below)	-	4,853.25
MPPL- Hotel (Front Parcel)	1,220.52	116.94
Others	16.01	-
	1,236.53	4,970.19

The capital work in progress of Embassy One is net of an impairment loss of Rs Nil as at 31 March 2019 (31 March 2018 Rs 1,067.55 million). The impairment loss was computed based on the assets' recoverable amount as at

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8 Equity accounted investee

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Interest in associate</i>		
Golflinks Software Park Private Limited - 100,000 (31 March 2018: 100,000) equity share of Rs 10 each, fully paid up	6,710.19	5,558.67
	6,710.19	5,558.67
Goodwill on acquisition included as a part of carrying cost	366.53	366.53
	As at	As at
	31 March 2019	31 March 2018
Percentage ownership interest	50%	50%
Net assets	12,730.99	10,427.94
Embassy Office Parks Group's share of net assets (50%)	6,365.49	5,213.97
Carrying amount of interest (including goodwill)	6,710.19	5,558.67

Note: During the year ended 31 March 2018, there was a non-compliance with Section 185 of the Companies Act, 2013 in respect of a loan aggregating Rs. 190.00 million provided by GLSP to a private company which had common directors. The statutory auditors of GLSP had modified their audit report for the year ended 31 March 2018 with respect to the above loan. The loan was repaid during the year ended 31 March 2019 and the non-compliance was duly rectified. Accordingly, the Management did not consider the possible implications of this matter to be significant in relation to the Special Purpose Condensed Combined Financial Statements.

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9 Non-current investments

Particulars	As at 31 March 2019	As at 31 March 2018
Trade, unquoted, at cost		
Investment in preference shares		
Manyata Projects Private Limited 15,698,440 (31 March 2018: 15,698,440) 0.01% optionally convertible redeemable preference shares of Rs 10 each, fully paid- up	156.98	156.98
Less: Impairment	(156.98)	(156.98)
Non-trade investments measured at fair value through profit and loss		
Unquoted		
Investment in mutual funds**		
SBI Magnum Instacash Fund-Growth Option	314.89	248.12
IDFC Cash Fund - Growth Direct Plan	-	141.46
	314.89	389.58

* The optionally convertible redeemable preference shares are convertible/redeemable at the option of MPPL on 31 December 2020.

** These mutual fund balances are held as lien towards Debt Service Reserve requirement for loan taken.

Investments measured at cost (gross)	156.98	156.98
Investments measured at fair value through profit or loss	314.89	389.58
Investments measured at fair value through other comprehensive income	-	-
Investments measured at amortised cost	-	-
Aggregate amount of impairment recognised	156.98	156.98

10 Current investments

Particulars	As at 31 March 2019	As at 31 March 2018
Non-trade investments measured at fair value through profit and loss		
Unquoted, Investment in mutual funds		
HDFC Liquid Fund-Direct Plan-Growth Option	285.05	973.07
ICICI Prudential Liquid Fund-Direct Plan-Growth Option	285.61	973.30
SBI Liquid Fund Regular Growth	722.39	-
SBI Magnum Instacash Fund-Dividend Option	-	168.24
SBI Magnum Instacash Fund-Growth Option	14.78	121.28
SBI Magnum Insta Cash Fund - Regular Plan - Growth	147.75	126.79
IDFC Cash Fund-growth -Direct Plan	175.33	155.49
	1,630.91	2,518.17
Investment measured at cost	-	-
Investment measured at fair value through profit or loss	1,630.91	2,518.17
Investments measured at fair value through other comprehensive income	-	-
Investment measured at amortised cost	-	-
Aggregate amount of impairment recognised	-	-

Non-current financial assets

11 Loans

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Unsecured, considered good</i>		
Security deposits		
- related party (refer note 52)	-	352.50
- others	583.63	476.22
	583.63	828.72

12 Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Unsecured, considered good</i>		
Fixed deposits with banks*	2,143.91	1,326.53
Unbilled revenue	768.24	474.95
Interest accrued but not due		
- from fixed deposits	8.90	15.23
Receivable under finance lease	63.58	130.01
Other receivables	-	101.62
	2,984.63	2,048.34
* Includes FD held as lien against loan availed. (Refer note 25)	2,097.91	1,326.53

13 Deferred tax assets (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets (net)	856.28	541.82
	856.28	541.82

14 Non-current tax assets (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Advance tax, net of provision for tax	1,456.60	922.80
	1,456.60	922.80

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15 Other non-current assets

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Unsecured, considered good</i>		
Advance paid for co-development of a property, including development rights on land (refer note below and note 52)	5,542.50	5,542.00
Advance paid for purchase of land (refer note 52)	97.50	97.50
Other capital advances		
- related party (refer note 52)	-	410.03
- others	1,402.88	1,060.99
Balances with government authorities	237.68	211.16
Paid under protest to government authorities	674.51	673.55
Prepayments	90.56	107.35
	8,045.63	8,102.58

Note: The amount represents advance paid to Embassy Property Developments Private Limited ('EPDPL') under various composite agreements. As per the said composite agreements, MPPL shall pay an amount of Rs 6,550 million to EPDPL as consideration for co-development of a bare shell building for MPPL (M3 block). Aforesaid Rs 6,550 million is towards development consideration, one time lease premium, development fee and construction of bare shell building.

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

Particulars	As at 31 March 2019	As at 31 March 2018
Stock of consumables	5.42	8.90
	5.42	8.90

17 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Unsecured</i>		
Considered good	335.86	378.35
Credit impaired	39.26	14.21
Less: allowances for impairment losses	(39.26)	(14.21)
	335.86	378.35

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18 Loans

Particulars	As at	As at
	31 March 2019	31 March 2018
<i>Unsecured, considered good</i>		
Loans to related parties (refer note 52)	-	8,610.00
Security deposits		
- related party (refer note 52)	953.64	661.00
- others	11.85	7.31
	965.49	9,278.31

Note: MPPL had advanced loans aggregating Rs. 7,250.00 million (balance as on 31 March 2019 Nil; 31 March 2018: Rs. 8,610.00 million) to a company in which a Director of MPPL is interested. As per the requirements of Section 185 of the Act, no company shall, directly or indirectly, provide/receive any loan or give/obtain any guarantee or provide/obtain any security to a person in whom a Director is interested. Accordingly, the aforementioned loans given by MPPL are not in compliance with the requirements of the Companies Act, 2013. The impact of this non-compliance has not been quantified by Embassy Office Parks Group. The loan has been repaid during the year ended 31 March 2019 and accordingly the non-compliance has been duly rectified.

19 Cash and cash equivalents

Particulars	As at	As at
	31 March 2019	31 March 2018
Cash on hand	0.48	0.47
Balances with banks		
- in current accounts	3,449.15	933.09
- in escrow accounts*	45,580.11	486.02
- in deposit accounts with original maturity of less than three months	582.97	63.78
	49,612.71	1,483.36

* Represents the balance Rs. 42,818.03 million from proceeds of public issue of REIT Units (Total proceeds Rs. 47,499.96 million). As at 31 March 2019, this amount held in the Escrow account can be withdrawn for specific use after obtaining certain administrative approvals.

19A Other bank balances

Particulars	As at	As at
	31 March 2019	31 March 2018
Balances with banks		
- in fixed deposit accounts with original maturity greater than three months and maturity less than twelve months from the reporting date	1,455.99	696.11
	1,455.99	696.11

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20 Other financial assets

Particulars	As at	
	31 March 2019	31 March 2018
<i>Unsecured, considered good</i>		
Interest accrued but not due		
- from related parties (refer note 52)	-	362.04
- on fixed deposits	14.04	8.88
- on statutory deposits	31.97	40.08
- on others	9.48	-
Unbilled revenue	541.49	291.23
Unbilled maintenance charges	71.54	37.08
Receivable under finance lease	73.94	66.41
Other receivables		
- related parties (refer note 52)	225.22	226.04
- others	140.07	3,464.73
	1,107.75	4,496.49

21 Other current assets

Particulars	As at	
	31 March 2019	31 March 2018
<i>Unsecured, considered good</i>		
Advance for supply of goods and rendering of services		
- to related parties (refer note 52)	-	30.95
- to others	26.86	27.39
Balances with government authorities	212.65	143.57
Prepayments	112.86	86.55
Other advances	2.13	4.36
	354.50	292.82

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22A Unit Capital (subsequent to Unit allotment on 27 March 2019) (Refer note 2.1)

A. Unit Capital	No in Million	Amount
As at 1 April 2018	-	-
Units issued during the year		
- pursuant to the initial public offer, issued, subscribed and fully paid-up in cash (refer note ii below)	158.33	47,499.96
- in exchange for equity interest in SPVs (refer note iii below)	613.34	183,999.64
Less: Issue expenses (refer note iv)	-	(2,460.34)
Closing balance as at 31 March 2019	771.67	229,039.26

Notes:

(a) Terms/rights attached to Units

- (i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. 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 Investment Manager approves dividend distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays dividends in Indian Rupees.
- (ii) Initial Public Offering of 158,333,200 Units for cash at price of Rs. 300 per Unit aggregating to Rs. 47,499.96 million.
- (iii) Embassy Office Parks REIT has acquired the SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders. The acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of Rs. 300 each as per the table below.

Name of the SPV	Number of Units allotted for acquiring all the equity interest held in the SPVs				
	Embassy Sponsor	Blackstone Sponsor	Blackstone Sponsor Group (excluding Blackstone)	Minority shareholders in the SPVs	Total
MPPL	2,924,450	93,610,755	-	66,099,872	162,635,077
UPPL	6,725,285	-	-	2,746,948	9,472,233
EEPL	1,221,322	-	-	1,221,322	2,442,644
IENMPL	-	-	32,536,562	-	32,536,562
VCPPL	-	-	35,703,128	-	35,703,128
ETPL	-	-	39,446,986	1,015,611	40,462,597
EOPPL	104,613,745	-	104,613,746	-	209,227,491
QBPL	-	-	45,630,850	-	45,630,850
QBPPL	-	-	18,650,260	-	18,650,260
OBPPL	-	-	41,029,647	-	41,029,647
GSPL	-	-	15,541,654	-	15,541,654
Total number of Units issued	115,484,802	93,610,755	333,152,833	71,083,753	613,332,143

- (iv) Issue expenses pertaining to the Embassy Office Parks REIT IPO process have been reduced from the Unitholders capital in accordance with IAS 32 - Financial Instruments: Presentation.

(all amounts in Rs. millions unless otherwise stated)

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

Name of the share holder	As at 31 March 2019		As at 31 March 2018	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Pvt Ltd.			-	-
	115,484,802	14.97%		
SG Indian Holding (Nq) Co I Pte Ltd.	104,094,966	13.49%	-	-
BRE Mauritius Investments	93,610,755	12.13%	-	-
Veeranna Reddy	65,472,582	8.48%	-	-
BRE/Mauritius Investments II	45,630,850	5.91%	-	-
India Alternate Property Limited	39,446,986	5.11%	-	-
	463,740,941	60.10%	-	-

22B Capital (upto 21 March 2019) (Refer note 2.1)

Particulars	As at 31 March 2018
Issued, subscribed and paid-up:	
727,539 equity shares of Rs 100 each, fully paid up shares of MPPL	72.75
8,703,249 equity shares of Rs 10 each, fully paid-up shares of EOPPL	87.03
2,000 equity shares of Rs 10 each, fully paid up shares of EEPL	0.02
11,551 equity shares of Rs 10 each, fully paid up shares of UPPL	0.12
107,594 Class A equity shares, fully paid up shares of GSPL	10.76
2,129,635 equity shares of Rs 10 each, fully paid shares of QBPL	21.30
271,672 equity shares of Rs 10 each, fully paid up shares of QBPPL	2.72
1,884,748 equity shares of Rs 10 each, fully paid up shares of OBPL	18.85
185,604,589 equity shares of Rs 10 each, fully paid up shares of ETPL	1,856.05
6,134,016 equity shares of Rs. 10 each, fully paid up shares of VCPPL	61.34
254,584 equity shares of Rs.100 each fully paid-up shares of IENMPL	25.46
Capital of EODPL (difference between assets and liabilities of the carved out business) (Refer note 2.1(i))	2,325.50
	4,481.90

23 Instruments entirely equity in nature

Particulars	As at	
	31 March 2019	31 March 2018
Issued, subscribed and paid-up		
Nil (31 March 2018: 85,658) Series B Compulsorily Convertible Preference Shares of GSPL of Rs 100 each, fully paid-up	-	8.57
	-	8.57

Rights, entitlement and obligations of different classes of preference shares:

The holders of Series B Compulsorily Convertible Preference Shares ('CCPS') will be entitled to preferential right over the remaining assets of GSPL with respect to payment of 0.001% dividend per annum and repayment in case of a winding up or a repayment of capital. These shares are non redeemable and are convertible into equity shares at a conversion ratio of 235 CCPS:1 Equity share at any mutually agreed time, but in any case prior to expiry of 20 years from the date of issue. During the year ended 31 March 2019, these preference shares were converted into equity shares.

24 Other Equity*

Particulars	As at	
	31 March 2019	31 March 2018
(i) Reserves and Surplus		
General reserve	-	6,118.18
Capital reserve	-	(594.12)
Capital redemption reserve	-	408.01
Debenture redemption reserve	-	88.21
Securities premium	-	25,303.75
Amalgamation /demerger deficit account	-	(2,189.37)
Retained earnings	(94.47)	(98.37)
Other component of equity	-	(16.29)
	(94.47)	29,020.00
(ii) Equity component of 0.01% Non-convertible redeemable debentures -	-	46.12
(iii) Equity component of 0.01% Optionally convertible preference shares -	-	49.36
(iv) Equity component of 0.01% Optionally convertible redeemable debentures - UPPL	-	546.02
(v) Other equity		
Contribution from equity participants	-	608.47
Equity portion of Interest free loans	-	28.82
	(94.47)	30,298.79

*Refer Combined Statement of changes in equity for detailed movement in other equity balances.

General reserve, capital reserves and Amalgamation / demerger deficit account

It represents balance on account of demergers/amalgamations in earlier years.

Capital redemption reserve

It represents reserve created in accordance with the provisions of the Companies Act, 1956 for buy back of equity shares.

Debenture redemption reserve

Debenture redemption reserve is created out of the profits which are available for distribution as dividend.

Securities premium

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilized in accordance with the provision of section 52(2) of Companies Act, 2013.

Retained earnings

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

Other component of equity

It represents equity component of financial guarantee given.

Equity component of 0.01% Non-convertible redeemable debentures - MPPL

It represents the equity component arising on fair valuation of the said debentures as required under Ind AS 32.

Equity component of 0.01% Optionally convertible preference shares / 0.01 Optionally convertible redeemable debentures - UPPL

It represents the equity component arising on fair valuation of the said preference shares as required under Ind AS 32.

Other equity

This represents the unsecured, interest free and low interest, loans that has been recognized by the SPV as equity contribution and also includes waiver of interest by related parties.

25 Borrowings

Particulars	As at	
	31 March 2019	31 March 2018
Secured		
Debtentures		
- Listed, non-convertible, redeemable debtentures (NCDs) (refer note 52)	-	3,350.89
Terms loans		
- from banks and financial institutions	58,162.48	58,268.77
(Asset backed loan	3,514.30	3,105.68
Deferred payment liability	6,354.83	6,393.18
Vehicle loans	-	2.43
Obligation under finance lease	1.68	1.48
Unsecured		
Inter-corporate deposits from related parties (refer note 52)**	-	1,295.44
Loans from related parties*/** (refer note 52)	-	3,054.68
Liability component of Optionally Convertible Redeemable Debtentures (ORCDs) (refer note 52)**	-	385.98
Liability component of 0.01% optionally convertible redeemable preference shares (refer note 52) - UPPL *	-	50.12
	68,033.29	75,908.65

* Umbel Properties Private Limited (UPPL) had received a loan aggregating Rs. 2,036.41 million (31 March 2019 Nil; 31 March 2018: Rs. 2,061.68 million) from a company in which a Director of UPPL is interested of which Rs. 1,027.21 million (31 March 2018: Rs. 1,052.48 million) (net of repayments) has been received after 12 September 2013. As per the requirements of Section 185 of the Act, no company shall, directly or indirectly, provide/receive any loan or give/obtain any guarantee or provide/obtain any security to a person in whom a Director is interested. Accordingly, the aforementioned loans obtained by UPPL are not in compliance with the requirements of the Act. The impact of this non-compliance has not been quantified by the Embassy Office Parks Group. During the year ended 31 March 2019, the above financial instruments have been converted into equity shares of UPPL and accordingly this non-compliance has been duly rectified.

26 Other financial liabilities

Particulars	As at	
	31 March 2019	31 March 2018
Lease deposits	2,746.92	2,673.48
Payable for purchase of fixed assets	46.36	139.36
	2,793.28	2,812.83

27 Deferred tax liabilities (net)

Particulars	As at	
	31 March 2019	31 March 2018
Deferred tax liabilities	3,363.42	2,519.54
	3,363.42	2,519.54

28 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
- gratuity	3.01	2.97
- compensated absences	2.07	2.23
	5.08	5.20

29 Other non-current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred lease rental	630.84	608.17
Advances from customers	30.51	25.10
Unearned revenue	-	14.46
	661.35	647.73

30 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
<i>Secured:</i>		
Loans repayable on demand		
- construction finance loan from financial institution	2,385.89	2,376.92
Other short-term borrowings		
- Lease rental discounting loan from bank	826.46	869.50
<i>Unsecured:</i>		
Loans repayable on demand		
- loan from a director (refer note 52)	-	0.10
- loans from related parties (refer note 52)	-	4.05
Others		
- from financial institutions	-	300.00
	3,212.36	3,550.57

31 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payable		
- Total outstanding dues to micro and small enterprises	-	-
- Total outstanding dues other than micro and small enterprises	440.10	356.76
- to related parties (refer note 52)	9.89	60.15
	449.99	416.91

32 Other financial liabilities

Particulars	As at	
	31 March 2019	31 March 2018
Current maturities of long-term debt		
- from banks and financial institutions	7,875.07	6,084.75
Interest accrued and due		
- to related party (refer note 52)	-	19.55
Interest accrued but not due on borrowings		
- to banks	16.89	-
Security deposits		
- related party (refer note 52)	80.00	185.00
- others	105.00	-
Lease deposits	5,933.60	5,746.42
Book overdraft	-	46.42
Capital creditors for purchase of fixed assets		
- to related party (refer note 52)	20.94	34.50
- to others	313.03	1,159.74
Deposits from customers	83.10	83.10
Other liabilities		
- to related party (refer note 52)	177.33	18.61
- to others	2,674.62	333.69
	17,279.58	13,711.78

33 Provisions

Particulars	As at	
	31 March 2019	31 March 2018
Provision for employee benefits		
- gratuity	2.13	0.03
- compensated absences	2.07	0.30
	4.20	0.33

34 Other current liabilities

Particulars	As at	
	31 March 2019	31 March 2018
Unearned income	43.68	36.87
Advances received from customers	177.35	152.49
Statutory dues	213.07	292.70
Deferred lease rentals	237.95	283.17
	672.05	765.23

35 Current tax liabilities (net)

Particulars	As at	
	31 March 2019	31 March 2018
Provision for income-tax, net of advance tax	28.20	27.19
	28.20	27.19

36 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Facility rentals	14,795.15	13,525.14
Maintenance services	1,640.07	1,648.82
Income from finance lease	55.05	26.68
Room rentals	548.00	489.74
Sale of food and beverages	217.93	208.22
Income from generation of renewable energy	1,386.16	105.29
Other operating income		
- hospitality	82.51	72.62
- others	45.94	41.49
	18,770.81	16,118.00

37 Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- on inter- corporate deposits (Refer note 52)	783.84	516.33
- on fixed deposits with bank	166.15	136.37
- on security deposits	119.76	102.00
- on loan to others	74.82	475.23
- on other statutory deposits	5.89	21.80
- on Income-tax refund	55.62	26.81
- others	12.79	16.68
Dividend income	-	0.50
Profit on sale of investments	150.56	31.52
Liabilities no longer required written back	43.95	2.53
Net changes in fair value of financial assets	74.32	137.89
Miscellaneous	51.57	76.99
	1,539.27	1,544.65

38 Cost of materials consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchases	54.71	55.31
Add: Increase/(decrease) in inventory	3.48	(0.76)
	58.19	54.55

39 Operating and maintenance expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel (net)	708.47	647.62
Property management fees	402.86	282.20
Operating consumables	8.65	12.77
Housekeeping and security services	223.06	221.23
Repairs and maintenance		
- common area maintenance	364.87	364.76
- buildings	274.28	218.86
- machinery	228.36	172.68
- others	166.01	149.23
	2,376.56	2,069.35

40 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Property tax (net)	913.37	589.14
Rates and taxes	126.72	158.97
Legal and professional charges (net)*	422.15	460.78
Advertisement, business promotion and business consultancy expenses	235.92	94.12
Assets and other balances written off	14.51	14.42
Allowances for credit loss	28.37	4.91
Subcontractors' fee	29.06	25.88
Bank charges	11.94	19.56
Vehicle hiring charges	10.27	11.16
Brokerage and commission **	19.90	18.58
Loss on settlement of liability through issue of equity instrument ***	407.40	-
Rent	40.60	56.23
Travel and conveyance	29.09	24.74
Loss on retirement of assets	3.30	64.08
Insurance	56.37	43.36
Corporate Social Responsibility (CSR) contribution	38.60	22.95
Foreign exchange loss, net	-	4.92
Miscellaneous expenses	144.89	106.34
	2,532.46	1,720.14

* Includes remuneration paid to the auditor's for the year ended 31 March 2019 aggregating Rs. 104.11 million (31 March 2018: Rs. 52.67 million) and excludes goods and service tax as applicable.

** Brokerage above does not include initial direct costs incurred specifically to earn revenues from an operating lease.

*** Includes loss on conversion of below financial liabilities of UPPL into equity shares of UPPL during the year:

- (i) 7.00 million 0.01% optionally convertible preference shares of Rs 10 each into 7.00 million equity shares of Rs. 10 each
- (ii) 82.02 million 0.01% optionally convertible redeemable debentures of Rs 10 each into 82.02 million equity shares of Rs. 10 each
- (iii) Loan from related party of Rs 3,169.26 million into 316.93 million equity shares of Rs. 10 each

41 Finance costs (net of capitalisation)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense		
- on borrowings from banks and financial institutions	5,083.56	4,976.92
- on deferred payment liability	894.01	-
- on lease deposits	341.37	419.17
- to related parties (refer note 52)	124.35	270.11
- on debentures to related parties (refer note 52)	-	628.33
- optionally convertible redeemable preference shares to related	5.78	5.77
- on debentures	116.09	-
Guarantee expense	11.01	-
Other borrowing costs	483.64	11.96
	7,059.81	6,312.26

42 Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	137.73	148.48
Contribution to provident and other funds	11.16	12.02
Staff welfare	57.42	54.43
	206.31	214.93

43 Depreciation and amortisation

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	628.74	318.40
Depreciation of investment property	2,849.43	2,822.66
Amortisation of intangible assets	85.02	87.11
	3,563.19	3,228.17

44 Tax expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	1,417.26	1,297.88
Deferred tax charge	883.69	745.45
MAT credit entitlement	(289.15)	(784.49)
	2,011.80	1,258.84

45 Earnings Per Unit (EPU)

The Units of the Trust were allotted on 22 March 2019 and 27 March 2019. However the profits/(loss) in the Combined statement of profit and Loss is for the full year and hence the earnings per Unit has not been presented for the year ended 31 March 2019 as it will not depict a correct picture of the performance of the Group. There were no Units issued and outstanding as at 31 March 2018 and hence the details of EPU for the year ended 31 March 2018 has not been presented.

46 Commitments and contingencies

Particulars	As at 31 March 2019	As at 31 March 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	5,377.50	8,593.24
Contingent liabilities		
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	250.70	79.75
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	598.90	625.31
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,212.76	3,499.57
Forfeiture of security deposit matters (Refer note v)	40.32	40.32
Letter of credit with Oriental Bank of Commerce	-	99.18
Cumulative preference dividend (Refer note vi below)	-	0.04
Other Commitments (Refer note vii below)		
Sponsor Undertaking given by Embassy Office Parks Private Limited on behalf of Embassy-Energy Pvt Ltd	6,700.00	6,700.00
Corporate Guarantee given by Embassy Office Parks Private Limited on behalf of Embassy-Energy Pvt Ltd	600.00	600.00
Bank guarantees given by Embassy Office Parks REIT	20.00	-

Notes:

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for

SPV	As at 31 March 2019	As at 31 March 2018
EOPPL	424.23	489.53
MPPL	3,859.26	5,130.08
EEPL	134.55	296.60
ETPL	-	157.15
IENMPL	7.46	-
EODPL	-	1,668.98
UPPL	8.50	-
VCPPL	49.73	-
OBPPL	893.77	850.90
	5,377.50	8,593.24

46 Commitments and contingencies (continued)

ii) Claims not acknowledged as debt in respect of Income Tax matters

SPV	As at 31 March 2019	As at 31 March 2018
MPPL	0.28	0.28
EOPPL	172.28	-
QBPL	6.00	5.89
QBPPL	4.00	3.76
OBPPL	-	69.83
IENMPL	68.14	-
	250.70	79.75

EOPPL: During the year ended 31 March 2019, the SPV received a demand of Rs 172.28 million pertaining to FY 2015-16 towards disallowance u/s 14 A and addition to income. The SPV has filed an appeal against such order at the Commissioner of Income Tax Appeals and has paid Rs. 14.06 million has been paid under protest. Accordingly the SPV has disclosed Rs. 172.28 million (31 March 2018 : Nil) as contingent liability. SPV has paid an amount of Rs. 14.06 million being the 20% of the demand under protest against the above demand

OBPPL : The SPV had received a tax demand notice of Rs. 69.83 million for Assessment Year 2011-12 wherein the Assessing Officer had disallowed the profit earned by the SPV on transfer of the land at a value which is in excess of its fair value and claimed as deduction under Section 80IAB. The SPV has contested this demand and has filed an appeal with the CIT(A) against the said order, which is pending for disposal. During the current financial year the CIT(A) has issued an order in favour of the SPV and accordingly the outstanding tax demand was closed, therefore there is Nil contingent liability as at 31 March 2019 (31 March 2018: Rs 69.83 million)

IENMPL: Income tax demands comprise of demand received from the tax authorities towards payment of additional income tax of Rs. 65.28 million (31 March 31, 2018: Rs. 41.88 million), upon completion of tax assessment for the FY 2008-09 to FY 2013-14. The tax demands are mainly on account of short credit of tax deducted at source (TDS) granted, disallowance on account of inadmissible expenditure incurred towards earning exempt income, considered excess amount of refund than actual amount refunded for the FY 2011-12 and incorrect addition on account of cash deposits, dividend distribution tax and interest thereon for the FY 2009-10. In respect of FY 2010-11 and FY 2011-12, the SPV during the year has received order u/s 271(1)(c) of Income-tax Act, 1961 with regards to penalty on asset management fees disallowed in respective years resulting into increase in contingent liability by Rs 23.39 million. Accordingly the SPV has filed Appeal with Commissioner of income tax (Appeals) CIT(A) against these assessment order received. The CIT(A) has issued appellate order in favour of the SPV for the FY 2008-09 and FY 2011-12 with regard to disallowance made for bad debt and inadmissible expenditure towards exempt income, however the tax department has filed an appeal against the said order received. Since the SPV is contesting the demands at different forums and accordingly all such matters have been listed as contingent liabilities.

The SPV has filed a writ petition against the Government of Maharashtra and the Collector, Mumbai in 2003 before the Bombay High Court, challenging the demand against the SPV for payment of increased transfer charges in relation to a sub-lease. While transfer charges amounting to Rs. 0.12 million annually for 61 years as per the Government's letter were levied in 2001, the transfer charges were revised to Rs. 2.34 million in the same year by the Collector, Bombay. In 2004, the Bombay High Court passed an order staying the operation of demand for increased transfer charges, subject to the SPV continuing to pay the original transfer charges. The SPV has also undertaken that in the event of dismissal of petition they shall pay the demanded increased transfer charges. The SPV has received an order dated 5 March 2019 demanding that Rs. 16.27 million be deposited and has given the SPV an option to appeal further. The SPV has paid the entire amount under protest on 16 April 2019 and received the stay against the demand on 24 April 2019. Currently, the exposure on account of this litigation is not quantifiable.

46 Commitments and contingencies (continued)

iii) Claims not acknowledged as debt in respect of Service Tax matters (contd.)

SPV	As at	As at
	31 March 2019	31 March 2018
MPPL	522.04	522.04
ETPL	12.30	10.02
GSPL	1.02	1.02
VCPPL	40.66	34.91
UPPL	22.88	-
EODPL	-	57.32
	598.90	625.31

MPPL: The SPV had received a demand order dated 23 December 2015 to pay a sum of Rs. 522.03 million (including interest and penalty) from Office of the Commissioner of Central Excise Bangalore-V Commissionerate towards wrongly/irregularly availed Cenvat credit during the period 1 April 2006 to 31 March 2012. Appeal has been filed before CESTAT dated 18 April 2016. As at 31 March 2019 the appeal is still pending before CESTAT.

ETPL: The SPV has received an Order-in-Original passed by Joint Commissioner, Service Tax - I, Kolkata in respect of non registration and non payment of service tax under the category of 'Builder's Special Services' and not 'Construction of Immovable Property' service with regard to installation of parking equipment which is taxable as a service leading to ineligibility of abatement Rs. 10,015 thousand. Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a compulsory pre-deposit of Rs 1 million to stay the recovery of the balance amount. The same has been paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the aforementioned demand of Rs 10 million (previous year: Rs 10 million) has been disclosed as a contingent liability.

ETPL: The SPV has received an Order-in-Original passed by Joint Commissioner, Service Tax - I, Kolkata demanding Rs 2.30 million in respect of denial of credit on construction of building and various other activities which has been utilized against output service of 'Renting of Immovable Property' service for the period 2013-14. Against the aforesaid Order, the SPV has filed an appeal before the Commissioner of Central Excise (Appeals - I), Kolkata which directed the SPV to make a compulsory pre-deposit of Rs 0.2 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. Previous year the SPV has received favourable order and the said demand was annulled, however during the year the SPV has received notice where Assistant Commissioner (T&R) has filed an appeal against the Order to Central Excise and Service Tax Appellate Tribunal. Accordingly the SPV has disclosed Rs. 2.30 million (previous year: Rs. NIL) as contingent liability.

GSPL: The SPV had received an Order-in-Original passed by the Ld. Deputy Commissioner, Service Tax, Division - III, Noida, demanding Rs 1.02 million in respect of denial of CENVAT credit utilised on the basis of photocopy of invoices for the financial year 2013-14. Against the aforesaid Order, the SPV has filed an appeal before the Commissioner (Appeals) - Customs, Excise & Service Tax (CESTAT) which directed the SPV to deposit Rs 0.08 million and staying the recovery of the balance amount. However the SPV has paid the aforesaid demand of Rs. 1.02 million in full under protest and such appeal is currently pending for disposal. Accordingly the aforementioned demand of Rs. 1.02 million (31 March 2018 Rs. 1.02 million) is disclosed as contingent liability.

VCPPL: The SPV has received an Order-in-Original passed by the Ld. Commissioner, Customs, Central Excise and Service Tax Commissionerate, Mumbai for the period 1 April 2012 to 31 March 2014 demanding Rs. 34.91 million in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal. The said appeal during the year, has been disposed in favour of the SPV and accordingly, the same is no longer disclosed as a contingent liability.

46 Commitments and contingencies (continued)

iii) Claims not acknowledged as debt in respect of Service Tax matters (contd.)

VCPLL: During the year SPV has received a show cause cum demand notice issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Mumbai for FY 2012-13 and 2014-15 demanding Rs. 29.91 million in respect of inclusion of notional interest accrued on security deposit in the taxable value and penalty of Rs. 10.75 million. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal. Currently this appeal is pending for disposal, the SPV has paid a pre-deposit charge of Rs. 2.01 million. Accordingly the said demand of Rs. 40.66 million (31 March 2018 nil) has been disclosed as contingent liability

UPPL: Cases for A.Y. 2013-14 and A.Y. 2014-15 are pending scrutiny which mainly comprise disallowances on the ground that the SPV had not set up its business and the expenses incurred are not revenue in nature. Management expects the conclusion of these cases to be same as those of A.Y. 2011-12 and 2012-13 and has thus provided for the additional liability amounting to Rs. 21.65 million.

During the previous year, CIT(A) has dismissed the order of A Y 2013-14 and 2014-15. Management has decided to file an appeal before ITAT.

iv) Claims not acknowledged as debt in respect of Property Tax matters

SPV	As at 31 March 2019	As at 31 March 2018
MPPL	3,212.76	3,499.57
	3,212.76	3,499.57

MPPL: The SPV had received a demand order dated 5 October 2015 to pay a sum of Rs 2,739.50 million (including interest and penalty) towards the difference property tax payable, which was on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that schedule property is an industrial estate and it has been developed as special economic zone which is classified under category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the schedule property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the High Court of Karnataka. The said court has upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of Writ Petition, the SPV filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against The SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter had been posted to 29 August 2016 and is currently pending. However, as of the date of these financial statements, no further developments have taken place. The management believes that the SPV has reasonable grounds to succeed in the said writ appeal based on an independent legal opinion obtained and accordingly The SPV has not made any provision in relation to the demand. The SPV has paid Rs 646.69 million (31 March 2018 : Rs. 646.69 million) under protest against the above demand.

The SPV had also received a demand order dated 09 Oct 2017 to pay a sum of Rs. 760.07 million (including interest and penalty) towards the differential property tax based on the total survey report blocks (G1,G2, G3, G4, L3, L6, F3, H1 & H2). Appeal dated 07 Dec 2017 has been filed before The Joint Commissioner, BBMP, Bytarayanapura, Bangalore objecting towards the total survey report and property tax assessment notice. The same is still pending for disposal. The management believes that the SPV has reasonable grounds to succeed based on an independent legal opinion and accordingly the SPV has not made any provisions in relation to the demand. However, the SPV has paid Rs 286.80 million against the above demand in the current year. Hence, a net contingent liability of Rs 473.27 million (31 March 2018: 760.07 million) has been disclosed.

46 Commitments and contingencies (continued)

v) Forfeiture of security deposit matters

SPV	As at 31 March 2019	As at 31 March 2018
VCPPL	40.32	40.32
	40.32	40.32

VCPPL : Equant Technologies Services (India) Private Limited ("Equant") had filed a summary suit No. 388 of 2012 with the Hon'ble Bombay High Court alleging that the SPV has incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in 247 Park pursuant to which Equant paid to the SPV a security deposit, which was forfeited by the SPV on account of breach of agreed terms of the said letter of intent. The matter since is currently under adjudication, hence has been disclosed as contingent liability.

vi) Cumulative preference dividend

SPV	As at 31 March 2019	As at 31 March 2018
UPPL	-	0.04
	-	0.04

vii) Other Commitments

EOPPL: The SPV has given a Corporate Guarantee of Rs.600 million to IL & FS Solar Private Limited on behalf of it's subsidiary- Embassy Energy Private Limited which has entered into Definitive Agreements with IL & FS Solar Private Limited on 11 January 2018 to build, own and operate a solar photovoltaic electricity generation facility. The SPV has earned an annual commission of Rs.2.9 million against the guarantee during the year ended 31 March 2019.

The SPV has given a Corporate Guarantee(Sponsorship Undertaking) of Rs.6700 million on 28 October 2017 to IDBI Trusteeship Services Limited on behalf of it's subsidiary- Embassy Energy Private Limited wherein EEPL has agreed to pay the EMI amount on every EMI due dates . The SPV has earned an annual commission of Rs.11.58 million against the guarantee during the year ended 31 March 2019 (31 March 2018: 4.92 million).

EEPL : Karnataka Electricity Regulatory Commission (KERC) Bengaluru has issued an order dated 14 May 2018 withdrawing the exemption from payment of Wheeling and banking charges, Cross subsidy charges etc. which were promised for a period of ten years from the date of commissioning. As per the earlier orders issued by KERC an exemption was granted to all solar power generators in the State achieving commercial operation date between 1 April 2013 to 31 March 2018 and selling power to customers within the state on open access or wheeling, from payment of Wheeling and Bank charges, cross subsidy charges etc. for a period of 10 years from the date of commissioning.

The SPV commissioned the solar plant during the financial year 2017-2018 and as per the old Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Honourable High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated 24 May 2018. BESCOTM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order has been rejected. The said writ petition, after granting the interim order on 24 May 2018 was listed before the Honourable court.

The Hon'ble High Court has passed the judgment on 13 March 2019, thereby allowing the Writ Petition and has quashed the order dated 14 May,2018 passed by KERC. The SPV has filed the Caveat Petition and the Court will notify before granting any interim order in case a Writ Appeal is filed by any of the Respondents. As of 31 March 2019 no Writ Appeal has been filed.

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Embassy Office Parks Group (As defined in note 1)
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(all amounts in Rs. millions unless otherwise stated)



47 Business Transfer Agreement between QBPL and EODPL

During the year ended 31 March 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on 11 March 2019 and completed the purchase of the assets and liabilities for Hotel Business and Commercial Business from EODPL as per the BTA.

QBPL borrowed Rs. 4681.78 millions from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired and purchase consideration amounting to Rs. 1,305.73 millions has been recognised as goodwill as at 31 March 2019.

Particulars	Hotel Business	Commercial Business	Total
Assets acquired	7,982.42	4,148.00	12,130.42
Other current assets			134.32
Deferred tax asset			96.46
Total			12,361.20
Liabilities assumed			
Loan from banks			(8,961.78)
Other current liabilities			(23.21)
Total			(8,984.99)
Fair value of net assets taken over			3,376.22
Less: BTA consideration			(4,681.93)
Goodwill on acquisition			1,305.70

48 Details of utilisation of proceeds of IPO are as follows:

Objects of the issue as per the prospectus	Proposed utilisation *	Actual utilisation upto 31 March 2019	Unutilised amount as at 31 March 2019
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00
Payment of consideration for acquisition of the Embassy One Assets which were held by EODPL	4,681.93	4,681.93	-
General purposes	3,918.03	-	3,918.03
Total	45,699.96	4,681.93	41,018.03

* Proposed utilisation amount was arrived at after deducting Rs. 1,800.00 million for issue expenses

49 Subsequent to reporting date, Embassy Office Parks REIT has raised Rs. 30,000 millions by issuing 300,000 Indian Rupee denominated, listed, rated, redeemable, non-convertible debentures on private placement basis. The debentures are redeemable over a period of 3 years.

Embassy Office Parks Group (As defined in note 1)
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(all amounts in Rs. millions unless otherwise stated)



50 Financial instruments

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

Particulars	Carrying value		Fair Value	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets				
Amortised cost				
Loans	1,549.12	10,107.04	-	-
Trade receivables	335.86	378.35	-	-
Cash and cash equivalents	49,612.71	1,483.36	-	-
Other bank balances	1,455.99	696.11	-	-
Other financial assets	4,092.38	6,544.83	-	-
Investment in mutual funds	1,945.81	2,907.75	1,945.81	2,907.75
Total assets	58,991.87	22,117.44	1,945.81	2,907.75
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt)	79,120.72	85,543.97	-	-
Lease deposits	8,680.52	8,419.90	-	-
Trade payables	449.99	416.91	-	-
Other financial liabilities	3,517.27	2,019.96	-	-
Total liabilities	91,768.50	96,400.74	-	-

The management has assessed that fair value of cash and cash equivalents, fixed deposits, trade receivables, inter-corporate deposits taken and given, borrowings, lease deposits, trade payables, loans and other financial assets and liabilities approximate their carrying amounts.

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
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(all amounts in Rs. millions unless otherwise stated)



50 Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2019	1,945.81	1,945.81	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	31 March 2018	2,907.75	2,907.75	-	-

c) 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 2019 and 31 March 2018.

d) Determination of fair values

Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

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51 Operating segments

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ('CODM') evaluates the Embassy Office Parks' performance and allocates resources based on an analysis of various performance indicators by operating segments. The accounting principles used in the preparation of the special purpose condensed combined financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

During the year ended 31 March 2019, the CODM of Embassy Office Parks REIT Group has decided to change the way of reviewing the performance of operating segments due to which there were changes in the reportable business segments based on 'Management Approach' as defined under Ind AS 108, Operating Segments. Therefore, the Embassy Office Parks Group has reorganised its reportable segments into Commercial Office Segment, Hospitality Segment and Other Segment. Accordingly presentation for segmental revenue from operations and NOI has changed for previous year and current year.

Operating segments of Embassy Office Parks Group are (i) Commercial Offices, (ii) Hospitality and (iii) Other segments. Other segments comprise Generation of Renewable Energy. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment.

Net Operating Income ('NOI') is the key metric reported to the CODM for the purposes of assessment of the segment results. The same is defined as follows:

a) Commercial Offices segment:

NOI for commercial offices is defined as Revenue from operations (which includes (i) facility rentals, (ii) maintenance services income, (iii) income from finance lease, and (iv) other operating income for Commercial Offices) less Direct operating expenses (which includes (i) Operating and maintenance expenses excluding repairs to buildings and property management fees (ii) property taxes, (iii) rent, and (iv) insurance).

b) Hospitality segment:

NOI for hospitality segment is defined as Revenue from operations (which includes (i) room rentals, (ii) sale of food and beverages, (iii) other operating income for hospitality less Direct operating expenses (which includes (i) cost of materials consumed, (ii) employee benefits expenses, (iii) Operating and maintenance expenses excluding property management fees, and (iv) Other expenses).

c) Other segment:

NOI for other segments is defined as Revenue from operations (which includes income from generation of renewable energy) less Direct operating expenses (which includes (i) Operating and maintenance expenses excluding property management fees, and (ii) Other expenses).

Certain income (such as interest, dividend and other income) and certain expenses (such as Other expenses excluding Direct operating expenses, depreciation, amortization, impairment and finance cost) are not specifically allocable to segments and accordingly these expenses are adjusted against the total income of the Embassy Office Parks Group.

Particulars	Commercial Offices		Hospitality		Other segments		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue from operations	16,536.21	15,242.13	848.44	770.58	1,386.16	105.29	18,770.81	16,118.00
Identifiable operating expenses	(2,396.16)	(1,920.57)	(584.39)	(578.15)	(48.96)	(80.30)	(3,029.52)	(2,579.01)
Net Operating Income (segment results)	14,140.05	13,321.56	264.05	192.43	1,337.20	25.00	15,741.30	13,538.99
Other operating expenses							(2,144.00)	(1,479.95)
Interest, dividend and other income							1,539.27	1,544.65
Earnings before finance costs, depreciation, amortisation and income tax excluding share of profit of equity accounted investees							15,136.57	13,603.69
Share of profit of equity accounted investees (net of income tax)							1,151.53	959.95
Depreciation and amortisation expenses							(3,563.19)	(3,228.17)
Finance costs							(7,059.81)	(6,312.26)
Impairment loss on property, plant and equipment							-	(1,195.29)
Profit before income tax							5,665.10	3,827.92
Tax expense							(2,011.80)	(1,258.84)
Other Comprehensive Income							0.51	1.41
Total Comprehensive Income							3,653.81	2,570.49

51 Operating segments (continued)

An analysis of SPV wise Segment Revenues and Segment Results is given below

For the year ended 31 March 2019

Particulars	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	EODPL (Carved out)	QBPL	VCPPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	8,142.15	1,049.70	-	-	860.63	462.59	1,210.89	866.46	-	1,444.58	1,037.41	1,461.82	16,536.21
Hospitality Segment	-	-	848.44	-	-	-	-	-	-	-	-	-	848.44
Other segment	-	-	-	1,386.16	-	-	-	-	-	-	-	-	1,386.16
Total	8,142.15	1,049.70	848.44	1,386.16	860.63	462.59	1,210.89	866.46	-	1,444.58	1,037.41	1,461.82	18,770.81
Net Operating Income (segment results)													
Commercial Office Segment	7,090.69	999.89	-	-	647.36	380.43	918.65	726.46	-	1,210.46	831.17	1,334.93	14,140.05
Hospitality Segment	-	-	264.05	-	-	-	-	-	-	-	-	-	264.05
Other segment	-	-	-	1,337.20	-	-	-	-	-	-	-	-	1,337.20
Total	7,090.69	999.89	264.05	1,337.20	647.36	380.43	918.65	726.46	-	1,210.46	831.17	1,334.93	15,741.30

For the year ended 31 March 2018

Particulars	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	EODPL (Carved out)	QBPL	VCPPPL	IENMPL	Total
Segment Revenue:													
Commercial Office Segment	7,393.18	1,003.67	-	-	823.79	254.90	1,081.82	825.40	-	1,484.07	1,027.40	1,347.90	15,242.13
Hospitality Segment	-	-	770.58	-	-	-	-	-	-	-	-	-	770.58
Other segment	-	-	-	105.29	-	-	-	-	-	-	-	-	105.29
Total	7,393.18	1,003.67	770.58	105.29	823.79	254.90	1,081.82	825.40	-	1,484.07	1,027.40	1,347.90	16,118.00
Net Operating Income (segment results)													
Commercial Office Segment	6,744.38	919.06	-	-	608.57	152.21	824.48	702.32	-	1,247.97	875.28	1,247.29	13,321.56
Hospitality	-	-	213.13	-	-	-	-	-	(20.70)	-	-	-	192.43
Others	-	-	-	25.00	-	-	-	-	-	-	-	-	25.00
Total	6,744.38	919.06	213.13	25.00	608.57	152.21	824.48	702.32	(20.70)	1,247.97	875.28	1,247.29	13,538.99

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52 Related party disclosures

I. List of related parties as at 31 March 2019 (refer notes below)

A. Parties to

Embassy Property Developments Pvt Ltd - Co-Sponsor
BRE/ Mauritius Investments - Co-Sponsor
Embassy Office Parks Management Services Pvt Ltd - Investment Manager
Axis Trustee Services Limited - Trustee

The co-sponsor groups consist of the below entities

Embassy Property Developments Pvt Ltd - Co-Sponsor

Embassy Property Developments Pvt Ltd
Embassy One Developers Pvt Ltd (upto 21 March 2019)
D M Estates Pvt Ltd (upto 21 March 2019)
Embassy Services Pvt Ltd (upto 21 March 2019)
Golflinks Properties Pvt Ltd

BRE/ Mauritius Investments - Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Ltd
SG Indian Holding (NQ) Co. II Pte. Ltd
SG Indian Holding (NQ) Co. III Pte. Ltd
BRE/Mauritius Investments II;
BREP NTPL Holding (NQ) Pte Ltd
BREP VII NTPL Holding (NQ) Pte Ltd
BREP Asia SBS NTPL Holding (NQ) Ltd

BREP VII SBS NTPL Holding (NQ) Ltd
BREP GML Holding (NQ) Pte Ltd
BREP VII GML Holding (NQ) Pte Ltd
BREP Asia SBS GML Holding (NQ) Ltd
BREP VII SBS GML Holding (NQ) Ltd
BREP Asia SG Oxygen Holding (NQ) Pte Ltd
BREP VII SG Oxygen Holding (NQ) Pte Ltd

BREP Asia SBS Oxygen Holding (NQ) Ltd
BREP VII SBS Oxygen Holding (NQ) Ltd
BREP Asia HCC Holding (NQ) Pte Ltd
BREP VII HCC Holding (NQ) Pte Ltd
BREP Asia SBS HCC Holding (NQ) Ltd
BREP VII SBS HCC Holding (NQ) Ltd
India Alternate Property Limited

BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd
BREP VII SG Indian Holding (NQ) Co II Pte. Ltd
BREP Asia SBS Holding-NQ CO XI Ltd
BREP VII SBS Holding-NQ CO XI Ltd

Directors & KMPs of the Investment Manager (Embassy Office Parks Management Services Pvt Ltd)

Directors

Jitendra Virwani - Director (w.e.f 30 March 2017)
Tuhin Parikh - Director (w.e.f 16 June 2015)
Vivek Mehra (w.e.f 9 June 2017)
Ranjan Ramdas Pai (w.e.f 9 June 2017)
Anuj Puri (w.e.f 6 August 2018)
Punita Kumar Sinha (w.e.f 6 August 2018)
Robert Christopher Heady (w.e.f 6 August 2018)
Aditya Virwani (w.e.f 6 August 2018)

KMPs

Michael David Holland - CEO (w.e.f 6 August 2018)
Rajesh Narayan Kaimal - CFO (w.e.f 6 August 2018)
Periasamy Ramesh - Company Secretary (w.e.f 7 January 2019)

Sponsors, directors and partners of the persons in clause A

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52 **Related party disclosures (contd.)**

B. **List of related parties as per the requirements of Ind AS 24- Related Party Disclosures**

The list of related parties and their transactions given in these Condensed Combined Financial Statements are a line-by-line combination of all the SPVs in the Embassy Office Parks Group subject to elimination for transactions and

(i) **Names of related parties and description of relationship**

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
MPPL	Embassy Office Parks REIT (w.e.f 22.03.2019)	Embassy Office Parks Pvt Ltd (upto 21.03.2019) BRE/Mauritius Investments (upto 21.03.2019)	-	-	-	-	Embassy Services Pvt Ltd* Embassy Property Developments Pvt Ltd Reddy Veeranna Construction Pvt Ltd* Embassy Shelters Pvt Ltd* Manyata Builders Pvt Ltd* Manyata Projects Pvt Ltd* Manyata Infrastructure Developments Pvt Ltd* Snap Offices Pvt Ltd (Previously named as Stylus Commercial Services Pvt Ltd)* Global Facade Solutions* Synergy Property Development Services Pvt Ltd* Udhyaman Investments Pvt Ltd* Earnest Towers Pvt Ltd** Indian Express Newspapers (Mumbai) Pvt Ltd** Vikhroli Corporate Park Pvt Ltd** Qubix Business Park Pvt Ltd** Quadron Business Park Pvt Ltd** Oxygen Business Park Pvt Ltd** Galaxy Square Pvt Ltd**	Reddy Veeranna (upto 21.03.2019) Jitendra Virwani

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52 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
EOPPL	Embassy Office Parks REIT Control w.e.f 22 March 2019	Embassy Property Developments Pvt Ltd, ultimately held by JV Holding Pvt Ltd Joint control (upto 22 March 2019) SG Indian Holding (NQ) Co I Pte. Ltd Joint control (upto 22 March 2019) SG Indian Holding (NQ) Co II Pte. Ltd Joint control (upto 22 March 2019) SG Indian Holding (NQ) Co III Pte. Ltd Joint control (upto 22 March 2019)	-	Embassy-Energy Pvt Ltd - w.e.f. 6 January 2017	Golflinks Software Park Pvt Ltd Manyata Promoters Pvt Ltd	-	Embassy Services Pvt Ltd* Manyata Developers Pvt Ltd* SG Indian Holding (NQ) Co IV Pte. Ltd* SG Indian Holding (NQ) Co V Pte. Ltd* SG Indian Holding (NQ) Co VI Pte. Ltd* Synergy Property Development Services Pvt Ltd*	
ETPL	India Alternate Property Limited, the holding company (upto 21 March 2019) Embassy Office Parks REIT (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	
QBPPPL	BREP NTPL Holding (NQ) Pte. Ltd (upto 21 March 2019) Embassy Office Parks REIT (holding w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	

52 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
UPPL	Embassy Property Developments Pvt Ltd (Holding Company) (upto 21 March, 2019) JV Holding Pvt Ltd (Ultimate holding company) (upto 21 March, 2019) Embassy Office Parks REIT holding company (w.e.f 22 March 2019)	-	D M Estates Pvt Ltd (upto 22 March, 2019)	-	-	-	Golflinks Embassy Business Park Management Services LLP Embassy Industrial Parks Pvt Ltd* Embassy Office Ventures Pvt Ltd* Embassy Services Pvt Ltd* Embassy Clubs LLP* Embassy One Developers Pvt Ltd* Embassy Office Park Management Services Pvt Ltd Golflinks Software Parks Pvt Ltd K.J. George* Embassy Energy Pvt Ltd Vikas Telecom Pvt Ltd* Golflinks Properties Pvt Ltd*	Jitendra Virwani K J George
VCPPPL	BREP Asia HCC Holding (NQ) Pte. Ltd (upto 21 March 2019) Embassy Office Park REIT (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	Rasika Bharadkar

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52 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
EEPL	Embassy Office Parks Pvt Ltd - Holding Company (upto 21 March 2019) Embassy Office Parks REIT- Ultimate Holding Company (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Property Developments Pvt Ltd Embassy Services Pvt Ltd * Golflinks Software Parks Pvt Ltd* J V Holdings Pvt Ltd* Manyata Promoters Pvt Ltd WeWork India Management Pvt Ltd* Vikas Telecom Pvt Ltd* Dynasty Properties Pvt Ltd* Umbel Properties Pvt Ltd	
IENMPL	Panchshil Techpark Pvt Ltd (upto 21 March 2019) Embassy Office Parks REIT (w.e.f 22 March 2019)	-	-	-	-	-	Target Infradevelopers LLP* Spazio - Panchshil Reality & Developers Pvt Ltd* Embassy Office Park Management Services Pvt Ltd**	Dillon Pereira
QBPL	BRE/ Mauritius Investments II (upto 21 March 2019) Embassy Office Parks REIT (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	

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52 Related party disclosures (contd.)

Names of related parties and description of relationship

Particulars	Holding Company	Entities and individuals having joint control	Associate investors	Subsidiaries	Enterprises over which the SPV exercises joint control	Associates	Other related parties with whom transactions have taken place (* upto 21 March 2019) (** w.e.f 22 March 2019)	KMP with whom transactions have taken place
GSPL	BREP GML Holding (NQ) Pte. Ltd (upto 21 March 2019) Embassy Office Parks Real Estate Investment Trust (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	
OBPPL	BREP Asia SG Oxygen Holding (NQ) Pte. Ltd. (upto 21 March 2019) Embassy Office Parks Real Estate Investment Trust (w.e.f 22 March 2019)	-	-	-	-	-	Embassy Office Park Management Services Pvt Ltd**	

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52 Related party disclosures (contd.)
(ii) Transactions during the year

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Issue of Unit capital (in exchange of the Investment in equity shares of SPVs)		
Embassy Property Development Private Limited	34,645.44	-
SG Indian Holding (NQ) Co I Pte. Ltd.	31,228.49	-
SG Indian Holding (NQ) Co II Pte. Ltd.	20.24	-
SG Indian Holding (NQ) Co III Pte. Ltd.	135.39	-
BRE/ Mauritius Investments	28,083.23	-
India Alternate Property Limited	11,834.10	-
BREP Asia SG Indian Holding (NQ) Co. II Pte Ltd	7,770.49	-
BREP VII SG Indian Holding (NQ) Co II Pte Ltd	1,941.58	-
BREP Asia SBS Holding-NQ Co. XI Ltd	38.24	-
BREP VII SBS Holding-NQ Co. XI Ltd	10.66	-
BREP Asia HCC Holding (NQ) Pte Ltd	8,548.39	-
BREP VII HCC Holding (NQ) Pte Ltd	2,130.08	-
BREP Asia SBS HCC Holding (NQ) Ltd.	20.36	-
BREP VII SBS HCC Holding (NQ) Ltd.	12.10	-
BRE/Mauritius Investments II	13,689.26	-
BREP NTPL Holding (NQ) Pte. Ltd	4,454.94	-
BREP VII NTPL Holding (NQ) Pte. Ltd.	1,112.97	-
BREP Asia SBS NTPL Holding (NQ) Ltd.	21.13	-
BREP VII SBS NTPL Holding (NQ) Ltd	6.04	-
BREP Asia SG Oxygen Holding (NQ) Pte. Ltd.	9,798.86	-
BREP VII SG Oxygen Holding (NQ) Pte. Ltd	2,448.42	-
BREP Asia SBS Oxygen Holding (NQ) Ltd	48.25	-
BREP VII SBS Oxygen Holding (NQ) Ltd	13.36	-
BREP GML Holding (NQ) Pte. Ltd.	3,712.50	-
BREP VII GML Holding (NQ) Pte. Ltd	927.45	-
BREP Asia SBS GML Holding (NQ) Ltd	17.54	-
BREP VII SBS GML Holding (NQ) Ltd	5.01	-
Optionally convertible redeemable debentures converted to equity shares		
Golflinks Properties Private Limited	820.02	-
Optionally convertible redeemable preference shares converted to equity shares		
Golflinks Properties Private Limited	70.00	-
Loan converted to equity		
Embassy Property Developments Private Limited	2,036.41	-
D M Estates Private Limited	55.45	-
Interest accrued converted to equity		
Embassy Property Developments Private Limited	1,077.40	-
Advance paid for purchase of development rights on land		
Embassy Property Developments Private Limited	-	5,542.50
Advance paid for purchase of land		
Embassy Property Developments Private Limited	-	97.50

52 Related party disclosures (contd.)
(ii) Transactions during the year

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Intercorporate deposit given/(repaid) to/(by) related party		
Embassy Property Developments Private Limited	(6,700.00)	6,700.00
Reddy Veeranna Constructions Private Limited	(1,910.00)	650.00
Repayment of Non-convertible debentures (including interest accrued but not due)		
SG Indian Holding (NQ) Co IV Pte. Ltd, SG Indian Holding (NQ) Co V Pte. Ltd, SG Indian Holding (NQ) Co VI Pte. Ltd	(500.00)	-
Embassy Property Developments Private Limited	(500.00)	-
SG Indian Holding (NQ) Co IV Pte. Ltd, SG Indian Holding (NQ) Co V Pte. Ltd, SG Indian Holding (NQ) Co VI Pte. Ltd	(1,175.45)	-
Embassy Property Developments Private Limited	(1,175.45)	-
Payment of Interest accrued and due from related parties		
Golflinks Software Park Private Limited	(19.55)	
Corporate guarantee/ letter of undertaking received for loan		
Equity portion of Corporate Guarantee expense	38.21	-
Corporate guarantee/ letter of undertaking received for loan		
Asset portion of Corporate Guarantee expense	27.20	-
Loan from related parties - received / (repaid)		
Jitendra Virwani	(0.10)	-
Embassy Services Private Limited	(4.05)	-
Interest income		
Embassy Property Developments Private Limited	728.22	245.14
Reddy Veeranna Constructions Private Limited	55.62	271.19
Rental income		
Snap Offices Private Limited (formerly known as Stylus	33.76	35.28
Property management fees		
Embassy Office Parks Management Services Private Limited	551.88	481.52
Right to use brand (capitalised)		
Embassy Shelters Private Limited	-	133.79
Legal and professional expenses		
Global Façade Solutions	-	6.00
Legal and professional expenses (capitalised)		
J V Holdings Private Ltd	24.00	-
Interest on debentures		
SG Indian Holding (NQ) Co IV Pte. Ltd, SG Indian Holding (NQ) Co V Pte. Ltd, SG Indian Holding (NQ) Co VI Pte. Ltd	37.31	293.34
Embassy Property Developments Private Limited	37.31	293.34
Golflinks Properties Private Limited	41.46	41.66
Operating expenses Power and fuel		
Embassy Services Private Limited	235.98	162.56

52 Related party disclosures (contd.)
(ii) Transactions during the year

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of Material / Assets		
Spazio Panchshil Reality & Developers Private Limited	0.58	2.95
Project management consultancy fee (inclusive of amount capitalized)		
Embassy Services Private Limited	29.81	8.61
Synergy Property Development Services Private Limited	122.14	6.09
Reimbursement of expenses		
Pune Dynasty Parks Private Limited	0.82	-
Embassy One Developers Private Limited	9.54	-
Embassy Office Parks Management Services Private Limited	157.50	-
Umbel Properties Private Limited	-	0.05
Short-term borrowings received / (repaid)		
Embassy Services Private Limited	(4.05)	4.05
Purchase of services		
Embassy Services Private Limited	122.58	92.13
Property Management fees		
Embassy Office Parks Management Services Private Limited	60.33	-
Project management consultancy fee		
Synergy Property Development Services Private Limited	32.51	-
Business consultancy charges (inclusive of amount capitalized)		
Embassy Property Developments Private Limited	88.69	80.28
Waiver of loan to co-sponsor		
Embassy Property Developments Private Limited	-	1,123.05
Waiver of interest on loan co-sponsor		
Embassy Property Developments Private Limited	-	207.18
Security deposits received		
Vikas Telecom Private Limited	-	105.00
Golflinks Software Parks Private Limited	-	80.00
Interest expense on loan from related party (inclusive of amount capitalized)		
Embassy Property Developments Private Limited (Converted to	133.20	264.46
D M Estates Private Limited	5.66	5.65
Golflinks Properties Private Limited	5.78	5.77
Sale of Power		
Embassy Services Private Limited	935.22	104.53
Vikas Telecom Private Limited	251.77	0.76
Embassy Property Developments Private Limited	41.11	-
Dynasty Properties Private Limited	12.52	-
Golflinks Software Park Private Limited	139.53	-

52 Related party disclosures (contd.)

(ii) Transactions during the year

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Room rentals		
K J George	3.10	1.88
Embassy Industrial Parks Private Limited	1.77	0.09
Embassy Property Developments Private Limited	-	0.18
Golflinks Software Parks Private Limited	-	0.03
Others	1.28	-
Sale of food and beverages		
Jitendra Virwani	0.31	0.37
K J George	5.06	2.52
Embassy Property Developments Private Limited	2.16	1.37
Embassy Knowledge Infrastructure Private Limited	1.67	-
Others	1.36	-
Embassy Industrial Parks Private Limited	0.01	0.21
Discounts provided on room and food & beverage revenues		
Jitendra Virwani	0.31	0.15
K J George	-	1.01
Embassy Property Developments Private Limited	0.77	0.55
Embassy Industrial Parks Private Limited	0.59	0.08
Golflinks Software Park Private Limited	0.38	0.00
Embassy Services Private Limited	0.06	-
Common area maintenance charges		
Golflink Park Management Services LLP	24.24	20.13
Loan given by / (repaid to) related parties		
Embassy Property Developments Private Limited	(2.50)	133.03
Compensation paid to key management personnel		
Dillon Pereira	5.01	4.66
Rasika Bharadkar	0.48	0.25
Guarantee expenses		
Embassy Property Developments Private Limited	11.01	-
Purchase of services (from the REIT Trustee)		
Axis Trustee Services Limited	1,597.58	-
Initial refundable receipt from Co-sponsor		
Embassy Property Developments Private Limited	0.50	-
Margin money given for Bank Guarantee on behalf of Trust		
Embassy Office Parks Management Services Private Limited	20.00	-

52 Related party disclosures (contd.)

(iii) Amounts outstanding as at the balance sheet date:

Particulars	As at 31 March 2019	As at 31 March 2018
Long term loans and advances- security deposits		
Embassy Services Pvt Ltd	-	10.50
Embassy Property Developments Pvt Ltd	-	341.70
Other non-current assets - advance paid for purchase of development rights on a land		
Embassy Property Developments Pvt Ltd	5,542.50	5,542.00
Other non-current assets - advance paid for purchase of land		
Embassy Property Developments Pvt Ltd	97.50	97.50
Other non-current assets - capital advance		
Reddy Veeranna Constructions Pvt Ltd	-	69.71
Embassy Shelters Pvt Ltd	-	340.32
Synergy Property Development Services Pvt Ltd	-	-
Trade receivables		
Vikas Telecom Pvt Ltd	-	0.76
K J George	-	4.41
Embassy Property Developments Pvt Ltd	2.00	1.55
Jitendra Virwani	0.39	0.37
Others	-	2.96
Loans to related parties (current and non-current)		
Embassy Property Developments Pvt Ltd	-	6,700.00
Reddy Veeranna Constructions Pvt Ltd	-	1,910.00
Short-term loans and advances - security deposits		
Embassy Property Developments Pvt Ltd	953.64	661.00
Other current financial assets- interest accrued but not due		
Embassy Property Developments Pvt Ltd	-	41.68
Reddy Veeranna Constructions Pvt Ltd	-	320.36
Other current financial assets - other receivables from related party		
Embassy Property Developments Pvt Ltd	225.22	225.22
Pune Dynasty Parks Pvt Ltd	-	0.82
Other current assets - Advance for supply of goods and rendering of services		
Embassy Services Pvt Ltd	-	30.95
Equity component of 0.01% Non-convertible redeemable debentures		
Embassy Property Developments Pvt Ltd	-	46.12
Equity portion of 0.01% optionally convertible preference shares		
Golflinks Properties Pvt Ltd	-	49.36

52 Related party disclosures (contd.)

(iii) Amounts outstanding as at the balance sheet date:

Particulars	As at 31 March 2019	As at 31 March 2018
Long-term borrowings - 0.01% optionally convertible redeemable debentures		
Equity component - Golflinks Properties Pvt Ltd	-	546.02
Contribution from equity participants		
Embassy Property Developments Pvt Ltd	-	608.47
Equity portion of Interest free loans		
D M Estates Pvt Ltd	-	28.82
Long-term borrowings - non-convertible debentures		
Embassy Property Developments Pvt Ltd	-	500.00
SG Indian Holding (NQ) Co IV Pte. Ltd, SG Indian Holding (NQ) Co	-	500.00
SG Indian Holding (NQ) Co IV Pte. Ltd, SG Indian Holding (NQ) Co	-	1,175.45
V Pte. Ltd and SG Indian Holding (NQ) Co VI Pte. Ltd		
Embassy Property Developments Pvt Ltd	-	1,175.45
Loan from related party (including current maturities and interest accrued)		
Embassy Property Developments Pvt Ltd	-	3,005.61
D M Estates Pvt Ltd	-	49.07
Long-term borrowings - 0.01% optionally convertible redeemable debentures		
Liability component - Golflinks Properties Pvt Ltd	-	385.98
Liability component of 0.01% optionally convertible redeemable preference shares		
Issued to Golflinks Properties Pvt Ltd	-	50.12
Loan from director		
Jitendra Virwani	-	0.10
Loans repayable on demand - from related party		
Embassy Services Pvt Ltd	-	4.05
Trade payables		
Embassy Office Parks Management Services Pvt Ltd	9.89	60.15
Corporate guarantee/ letter of undertaking received for loan taken		
Embassy Property Developments Pvt Ltd	2,300.00	2,300.00
Corporate guarantee/ letter of undertaking received for loan taken		
Equity portion of Corporate Guarantee expense	38.21	-
Corporate guarantee/ letter of undertaking received for loan taken		
Asset portion of Corporate Guarantee expense	27.20	-

Embassy Office Parks Group (As defined in note 1)
Special Purpose Condensed Combined Financial Statements
Notes to Accounts

(all amounts in Rs. millions unless otherwise stated)



52 Related party disclosures (contd.)

(iii) Amounts outstanding as at the balance sheet date:

Particulars	As at 31 March 2019	As at 31 March 2018
Other current financial liabilities- Interest accrued and due from related parties		
Golflinks Software Park Pvt Ltd	-	19.55
Other current financial liabilities - Security deposit		
Vikas Telecom Pvt Ltd	-	105.00
Golflinks Software Park Pvt Ltd	80.00	80.00
Other current financial liabilities		
Synergy Property Development Services Pvt Ltd	-	0.60
Embassy Property Developments Pvt Ltd	-	1.30
Current liabilities - payable for purchase of fixed assets		
Embassy Property Developments Pvt Ltd	20.94	32.60
Payable for expenses		
Embassy Property Developments Pvt Ltd	-	0.10
Umbel Properties Pvt Ltd	-	0.05
Embassy Services Pvt Ltd	-	6.21
Embassy Property Developments Pvt Ltd	19.33	12.26
Embassy Office Parks Management Services Pvt Ltd	157.50	-
Payable for expenses - to the REIT Trustee		
Axis Trustee Services Limited	1,597.58	-
Initial refundable receipt from Co-sponsor		
Embassy Property Developments Pvt Ltd	0.50	-

for B S R & Associates LLP

Chartered Accountants

Firm's registration number: 116231W / W-100024

Sd/-

Rushank Muthreja

Partner

Membership number: 211386

Place: Bengaluru

Date: 28 May 2019

for and on behalf of the Board of Directors of

Embassy Office Parks Management Services Pvt Ltd

(as Manager to the Embassy Office Parks REIT)

Sd/-

Jitendra Virwani

Director

DIN: 00027674

Place: Bengaluru

Date: 28 May 2019

Sd/-

Tuhin Parikh

Director

DIN: 00544890

Place: Bengaluru

Date: 28 May 2019