EMBASSY OFFICE PARKS

EMBASSY

July 16, 2020

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

Re: Scrip Code 542602; Scrip Code 958770 and 959074 (NCD's) and Scrip Symbol "EMBASSY"

Sub: Submission of Annual Report with respect to activities of Embassy Office Parks REIT for the year ended March 31, 2020

Dear Sir/Madam,

Pursuant to Regulation 23(2) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 read with the SEBI circular no. SEBI/HO/DDHS/CIR/P/2020/42 dated March 23, 2020, we have enclosed the Annual Report of Embassy Office Parks REIT for the financial year ended March 31, 2020.

Kindly take the same on your record.

Yours sincerely,

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

Ramesh Periasamy
Digitally signed by Ramesh Periasamy
Date: 2020.07.16 09:11:59 +05'30'

Ramesh Periasamy
Company Secretary & Compliance Officer

EMBASSY

EMBASSY OFFICE PARKS

Where the world comes to work

EMBASSY OFFICE PARKS REIT

ANNUAL REPORT

FY2020

Where the world comes to work

Key highlights FY2020

33.3[1] **msf**
Portfolio

160+
Blue-chip occupiers

92.8%
Occupancy

30%
Mark-to-market upside

42%
Gross rents from Fortune 500 occupiers

7.0 Years
Weighted average lease expiry (WALE)

₹21,449 million
Revenue from operations
▲ 14%^

₹18,170 million
Net operating income
▲ 15%^

₹17,647 million
EBITDA
▲ 17%^

₹18,821 million
Distributions

99.8%
Payout ratio

15%
Net debt/ Total enterprise value (TEV)

^ Growth over FY2019
1 Includes completed, under construction & proposed future development

Awards and Certifications

"Workplace Excellence" award for excellence in Ecological Sustainability by iNFHRA Awards 2019-20

LEED
LEADERSHIP IN ENERGY & ENVIRONMENTAL DESIGN

Asia Pacific Best of the Breeds REITs AWARDS™

What's inside

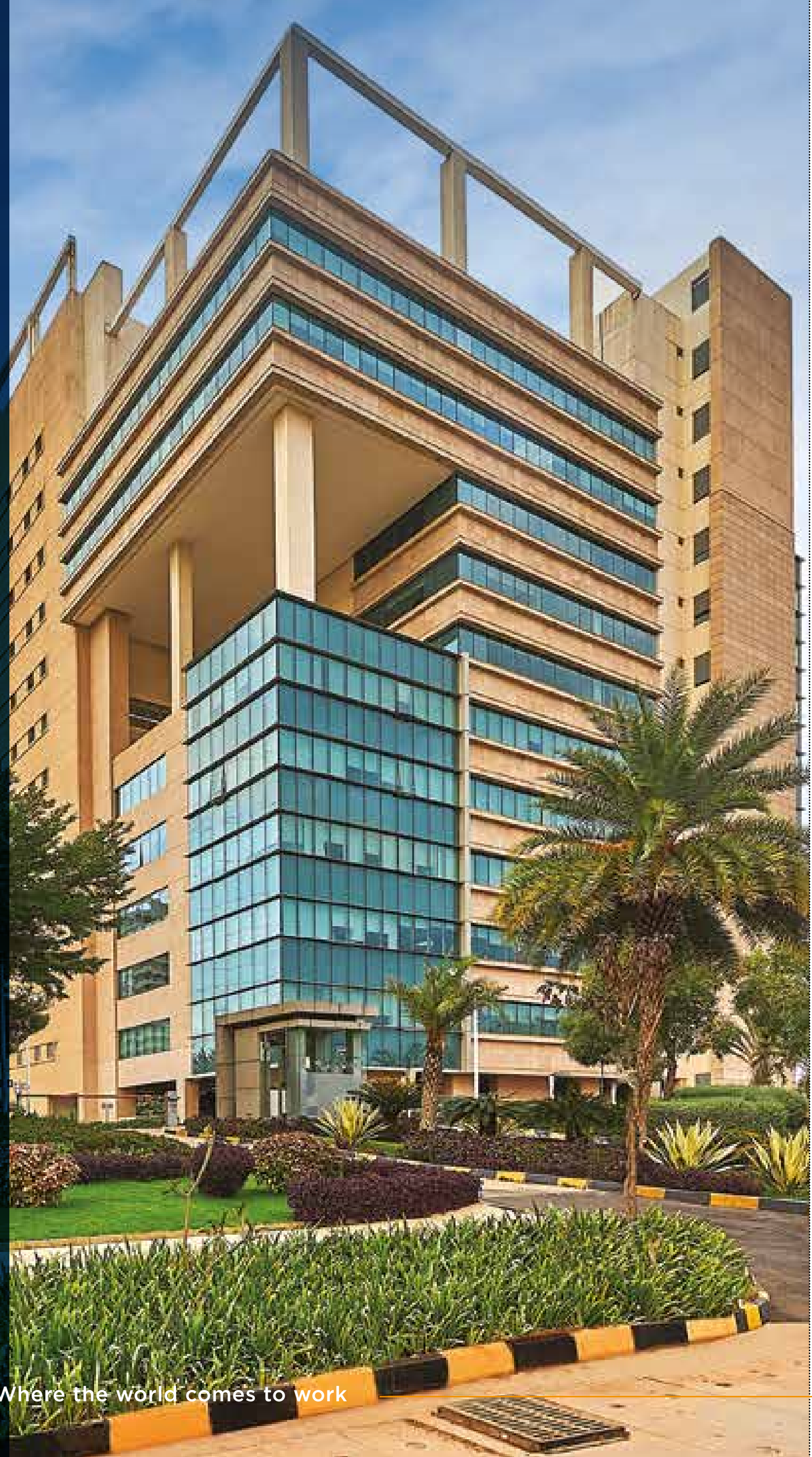
View this report online

Corporate Overview

EMBASSY REIT AT A GLANCE

Pioneering REITs in India

Embassy Office Parks is India's first publicly listed Real Estate Investment Trust (REIT). We own and operate a 33.3 million square feet (msf) portfolio of seven Infrastructure-like office parks and four city-centre office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune, and the National Capital Region (NCR). Embassy Office Parks' portfolio has 26.2 msf completed by area, runs at 92.8% occupancy as of March 31, 2020, and hosts many of the world's leading companies as occupiers. The portfolio also comprises strategic amenities, including two operational business Hotels (including the Four Seasons hotel at Embassy One), two under-construction hotels, and a 100MW solar park supplying renewable energy to park occupiers.



Embassy REIT: Quick facts

78
World-class office buildings

11
Commercial offices

160+
Blue-chip occupiers

100MW
Solar park

1,096[1]
Hotel keys

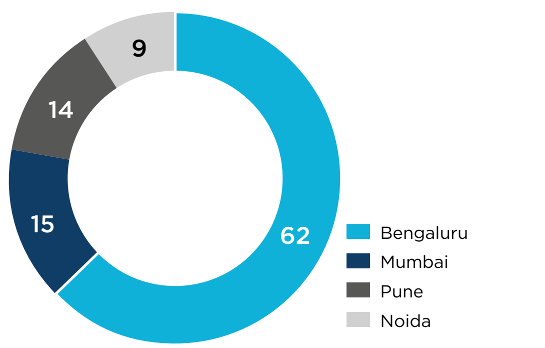
ICRA AAA (Stable)
Embassy Office Parks REIT (Issuer Rating)

CRISIL AAA /Stable
Embassy Office Parks REIT Series I NCD (Tranche I & II)

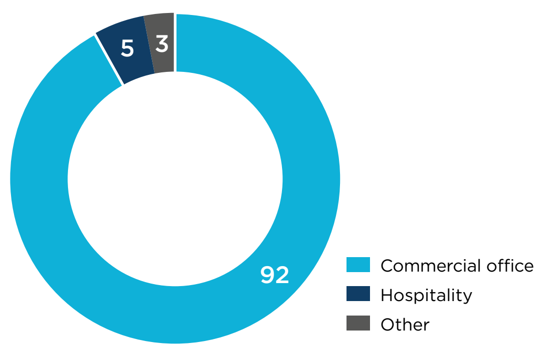
1 Includes completed and under construction hotels

Our portfolio

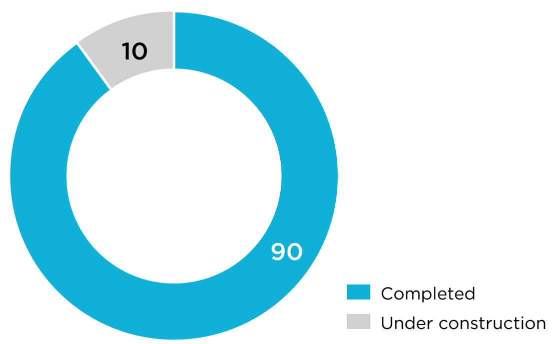
Market value by geography (%)



Market value by asset type (%)



Market value by construction status (%)



We own, operate and invest in rent or income-generating office real estate and related assets in India in accordance with the REIT regulations.

Investment objectives

We invest in high-quality assets with the objective of maximising NAV growth and paying distributions to Unitholders.

80%
Minimum investment by value in completed and income-producing assets

90%
Minimum NDCF payout to Unitholders

49%
Upper limit on debt by asset value

Chairman's message

> As India's first and only REIT, Embassy REIT is the new standard bearer for the commercial real estate sector in India."

Dear Unitholders,

While the events we are living through today would have seemed inconceivable a few months ago, here we are in the middle of a global pandemic that has inflicted a very real cost on society and businesses globally. I hope that each one of you and your families are safe. And on behalf of Embassy REIT, I sincerely thank all the first responders in our cities and properties across India for their heroic efforts in keeping us safe.

I am very pleased to present to you Embassy REIT's first annual report. Our full year results delivered on the expectations we set when the REIT listed in April 2019. Embassy REIT has performed strongly in its first year since listing: the REIT delivered c.2.4 msf of new leasing, distributed ₹18.8 billion (c.$250 million) and returned c.25% in total returns to Unitholders.

This performance is a testament to the quality of the REIT structure and world-class properties in Embassy REIT, a dedicated and exceptional management team, and the strategic vision and partnership between two sponsors who believe in the potential and resiliency of commercial real estate here in India.

While the near-term outlook might appear cloudy and occupier needs may vary given the pressures on their businesses, I believe the foundations of Indian office demand continue to remain strong for the years to come for the following reasons:

- First, India is a young country with a graduate population that represents a world-class workforce. Our graduates are highly educated, they are analytical, and they aspire for career mobility. Global corporations hire talent in India for these skill sets. Every aspect of the global technology landscape has a foothold in this country because of the ability of the Indian technology professional to deliver quality. As technology becomes more sophisticated, the demand for Indian talent by global corporates will only grow.
- Second, Indian real estate offers significant cost arbitrage without compromising quality. Rents that multinationals pay in India are a fraction of the global rents they pay overseas, but the quality and scale of assets like Embassy REIT's are truly irreplaceable. To be able to hire skilled technology talent at scale to respond to the needs of global businesses is the core reason multinationals have been operating from our business parks and properties for over a decade. To deliver this talent in a cost-competitive manner makes India unique, because India delivers a winning combination of talent and cost.
- And third, Embassy REIT remains the preferred institutional landlord for global corporations to further their business objectives. Embassy REIT owns a world-class office portfolio, has enhanced its reputation over time, and developed a track record of fulfilling occupiers' business needs through our 'total business ecosystem' offering. Our occupier base speaks for itself: approximately 80% of our occupier base is international.

Given the demand for Indian talent and the paucity of high-quality landlords and premises, Embassy REIT is well positioned in the coming years. It represents the best of listed commercial estate with robust governance standards, best-in-class management team, prudent capital management and the ability to deliver regular distributions to Unitholders.

I am grateful to our partners at Blackstone, the regulators, and various stakeholders, as well as the guidance of my fellow Board members as we have navigated a highly successful year. We are grateful to the management team and all employees for their diligence and execution throughout the year to deliver on the potential of the REIT. Most importantly, we thank all our Unitholders who have supported us in our inaugural year as a listed entity.

We look forward to your continued support.

Jitendra Virwani

CEO’s message

“Regular distributions to our Unitholders are the REIT’s foremost priority. Our quarterly payouts through FY2020 speak of the financial discipline that we employ to maintain and grow operating income, control costs and pass on value to Unitholders.”

Dear Unitholders,

These are challenging times globally and wherever you are, we sincerely hope that you, your family, and colleagues are healthy and safe.

While FY2020 was a successful first year for Embassy REIT across various business performance metrics, the narrative in recent months across business and society in general has clearly shifted to the impact of the COVID-19 pandemic. Embassy REIT will not be immune to the significant impact on global and domestic economies, but we are well positioned with our strong balance sheet, long tenured leases with our high quality, technology-focused, and international occupier base.

Before I discuss our path to navigating this crisis, I would like to highlight our strong performance over the last year, and why Embassy REIT’s platform and performance in FY2020 have set a strong foundation to weather the challenges posed by the current pandemic.

A strong debut amidst global volatility

The months prior to the REIT’s listing in April 2019 were turbulent. The final quarter of 2018 saw a flight of capital from Emerging Markets and a significant downturn in markets across the globe. While we witnessed a bounce back in 1Q 2019 in international and Indian markets, we saw increasing escalations on matters of global trade particularly between the US and China.

Notwithstanding that backdrop, our IPO in March 2019 for ₹47.5 billion (c.$680 million) was oversubscribed 2.6 times. After a successful listing, investors continued to see value in our business. With 25% total returns since listing on April 1, 2019, Embassy REIT outperformed both the Sensex and the BSE Realty Index as well as numerous REIT benchmarks globally.

Consistent performance and distributions in FY2020

Over the last year, the markets understood and appreciated the simple model on which Embassy REIT is established. Predictable and sustainable cash flows generated under long-term contracts from international corporations located in high quality office assets in India’s leading commercial centres

25%
Total returns since listing

₹19 billion
Distributions to Unitholders

provide a clear line of sight to the embedded rental growth within the Embassy REIT portfolio.

Additional avenues for growth include expansion in leasable area due to lower risk on-campus development and, given the strength of our balance sheet, the potential to add properties through third party acquisitions.

When combined with our experienced and proven management team, all working under a strong governance framework, one can understand why the REIT has resonated strongly with investors.

In FY2020, we:

- Achieved our highest absorption in previous five years, with c.2.4 msf new leases signed with 25+ occupiers, 53% re-leasing spreads on c.1.1 msf of re-leases and 19% renewal spreads on c.600k sf of renewals during the year
- Achieved c.12-15% contractual escalations on c.5.5 msf leased area from 50+ occupiers
- Delivered c.1.4 msf of new development, ahead of schedule, of which c.62% is already committed
- Launched the Four Seasons hotel in May 2019, which achieved break-even occupancy in January 2020, prior to travel restrictions from COVID-19 pandemic; and
- Acquired c.0.6 msf of leasable area upon completion in June 2023 at c.9.25% yield. This land parcel is located within the overall Embassy Manyata campus, which is our key asset in Bengaluru

Hence, our core business proposition of predictable, low volatility cash flows and quarterly distributions has delivered a strong performance in FY2020 – a record 2.4 msf in new leasing, 15% y-o-y growth in NOI, early delivery and healthy pre-commitments on our 1.4 msf on-campus development, all of which culminated in full year distributions of ₹18.8 billion (c.$250 million) for our Unitholders.

Regular distributions are the REIT's foremost priority. Our quarterly payout through FY2020 speaks to the financial discipline that we employ to maintain and grow operating income, control costs and pass on value to Unitholders.

Navigating COVID-19

Notwithstanding this strong set of results for FY2020, our full focus now is on our business today and the year ahead given the challenging external environment which has enveloped global and Indian markets since the COVID-19 outbreak.

In India, COVID-19 started to emerge as a potentially significant business disruptor in late February 2020. We entered this crisis in a position of great strength, the result of years of prudent and proactive management of the business.

We were aided in FY2020 by continued positive demand-side factors with record leasing across India in 2019, where over 49 msf of net absorption reflected the continued growth in the demand from technology linked global captive centres. The continued strong demand left many of our own sub-markets with single digit vacancies. Since early 2020, it is also clear that competing supply has fallen, this trend will continue through 2020, and will enhance our own competitive position in the market.

At our portfolio level, our strong balance sheet, ample liquidity, the long-term lease contracts with our 160+ corporate office occupiers, the strong relationships and trust we have built with them over the years and our first class on-ground operations teams across the country all contribute to the resilience of our platform, and surely that resilience will be required over the coming year.

Since the outbreak and subsequent lockdown by the government, our focus has been to facilitate business continuity for our occupiers operating critical services from our parks and ensuring the health, safety, and well-being of all our stakeholders. Our parks remained open for business to support the core business functions of our occupiers throughout the national lockdown within the parameters laid out by the Central Government and the multiple States in which we operate. The many accolades from our occupiers reflect the hard work and unwavering commitment of our on-ground teams. We acknowledge and sincerely thank all our front-line employees and service providers for their efforts to date.

Outlook

While our rental collections since the outbreak of the pandemic are encouraging and remain healthy at over 90% demonstrating the resilience of our office business, we recognise that we are still in early stages of this global business disruption. There is uncertainty, many views, and speculative comments about the potential impact of issues such as social distancing, work from home, workplace de-densification, business travel reductions, liquidity squeeze, and so on. In addition, we are still operating in a restricted environment today, and it is difficult to estimate with a reasonable level of certainty as to how long the current challenges will persist. However, amid this uncertainty, we have a clear and positive view on several areas:

Firstly, the office market will witness a significant reduction in the densities of the workplace, given the increased priority to employee wellness. Some of this de-densification, but certainly not all, will be offset by more flexible work styles including work from home. The work from home experiment in India has delivered in this crisis but our recent interactions with many corporate occupiers lead us to a preliminary assessment that while the industry may see more flexibility in employee work styles, the total business environment which Embassy REIT provides to its occupiers and their employees cannot, in India, be replaced by solitary work from home measures.

Our conclusion is that workspaces will, more than ever, be the venue for building company culture, collaboration, training, and teamwork. The workplace for the young Indian workforce provides a social, professional and community space as well as the necessary physical and digital infrastructure and productive environment which is so often lacking at home. We are not alone in our view that we will see demand shifting to higher quality, lower density workspaces in the coming years. This aligns well with our overall product offering and strategy: the total business ecosystem.

Secondly, it is clear that a sector which is shining in the COVID-19 world is technology – as a facilitator of new lifestyles – and, as we have highlighted in the past, our existing portfolio continues to be around 50% technology occupier focused. We have a positive bias to India's leading tech city, Bengaluru, further enhancing the resilience of our business in times such as today.

Technology companies are the fastest growing businesses in the world and accounted for most of the new leasing in many markets including the US and India in 2019. With over two million students graduating each year in Science, Technology, Engineering and Mathematics, India leads in STEM talent for technology assignments and the cost is also favourable here relative to the rest of the world. It is because of this tech talent that, in 2019, India absorbed more office premises than any other national market in the world. Further, Bengaluru, which is our key market, continues to be the #1 location in Asia for technology occupiers. Hence, we underline our previously articulated message – we have a bias to the right sector, the right product, and the right markets in India.

A third point of certainty is that our business is focused on delivering best-in-class office premises and amenities to the best corporations globally and in India, that we entered this phase with record office demand and low vacancies, and we foresee a dramatic tightening of new supply. Our core customer base operates here in India because this remains the global hub for technology talent. This, and the fact that India continues to have a significant employee cost advantage and affordable rentals, has not changed. In fact, again, technology has become even more important to the functioning of the global economy and consequently, many technology companies are prospering in this environment.

Over the coming months, as we start to emerge from this pandemic, we believe that this phase will result in continued consolidation in the Indian office market, considerable reduction in annual supply and a higher market share for high-quality institutional landlords in India such as Embassy REIT.

In the meantime, we remain committed to our business strategy – delivering total returns through regular and predictable quarterly distributions supplemented by growing NOI and underlying value through various accretive growth initiatives including potential acquisitions.

The value of community and people

At Embassy REIT, we are playing a proactive role in driving sustainable growth and empowering the communities that we operate in. To this end, we are embracing solar energy across our Bengaluru properties and are undertaking several measures to positively influence communities by focusing on education, sanitation, healthcare, and hygiene, among others.

I am delighted to lead a world-class group of professionals at the REIT. At Embassy REIT, we focus on attracting and retaining the best talent by fostering a work culture built on responsibility, accountability, and collegiality. I express my gratitude to our employees at the REIT manager for making this a successful year, and I recognise each one of them for his or her contributions.

Finally, I thank our Unitholders for their continued support. I assure you the REIT is well equipped to navigate the current crisis and emerge from it to further build on the strong foundation of our first year as India's only listed REIT.

Michael D Holland

OPERATIONAL HIGHLIGHTS

Every quarter matters

1Q

595k sf
New leases

50.6%
Re-leasing spread

₹4,167 mn
Distributions

₹5.40
DPU

- Listed on April 1, 2019 as India's first publicly listed REIT
- Launched the Four Seasons Hotel at Embassy One, Bengaluru
- Successfully raised ₹30,000 million in NCDs Tranche I, Rated AAA/Stable by CRISIL
- Inaugurated 650-student primary school in Bengaluru in partnership with ANZ and Government of Karnataka

Key leasing transactions

- HCL
- Infosys BPM
- Facebook
- Dell
- Calsoft
- The Executive Centre

2Q

595k sf
New leases

95%
Re-leasing spread

₹4,630 mn
Distributions

₹6.00
DPU

- Included in the FTSE Russell Series of Index funds
- Trading lot size reduced from 400 to 200 units
- Commissioned 220 KVA substation at Embassy Manyata

Key leasing transactions

- NTT Data
- L&T Infotech
- Google India
- Access Healthcare
- GlobalLogic
- MetLife

3Q

527k sf
New leases

15%
Re-leasing spread

₹4,707 mn
Distributions

₹6.10
DPU

- Successfully raised ₹16,400 million of debt, including ₹6,500 million in NCDs Tranche II, Rated AAA/Stable by CRISIL
- Acquired 0.6 msf leasable area within Embassy Manyata business park in Bengaluru, at 9.25% yield upon completion in 1Q FY2024
- Delivered 1.4 msf of office space, ahead of schedule with 62% committed

Key leasing transactions

- WeWork
- ANSR
- Value Momentum
- Fulcrum Digital
- Virtusa
- Norwest Venture Partners

4Q

389k sf
New leases

20%
Re-leasing spread

₹5,317 mn
Distributions

₹6.89
DPU

- Early activation of Business Continuity Plan on March 4 in anticipation of possible spread of the COVID-19 in India
- All properties operational throughout the national lockdown to support core business functions of our occupiers
- Centralised task force focused on facilitating business continuity for occupiers, ensuring health, well-being, and safety of all stakeholders

Key leasing transactions

- ANSR
- GlobalLogic
- NICE
- Colliers
- Volkswagen

KEY PERFORMANCE INDICATORS

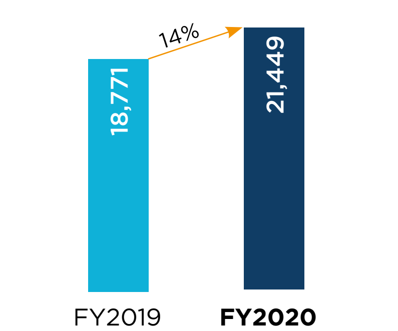
A strong all-round performance

Financial highlights

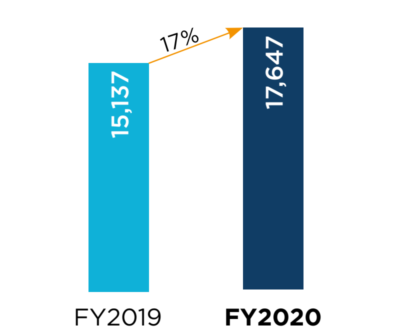
₹18,821 million
Distributions

99.8%
Payout ratio

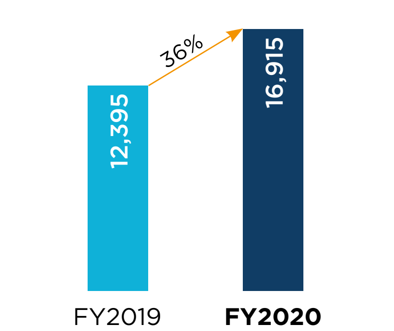
Revenue from operations
(₹ in million)



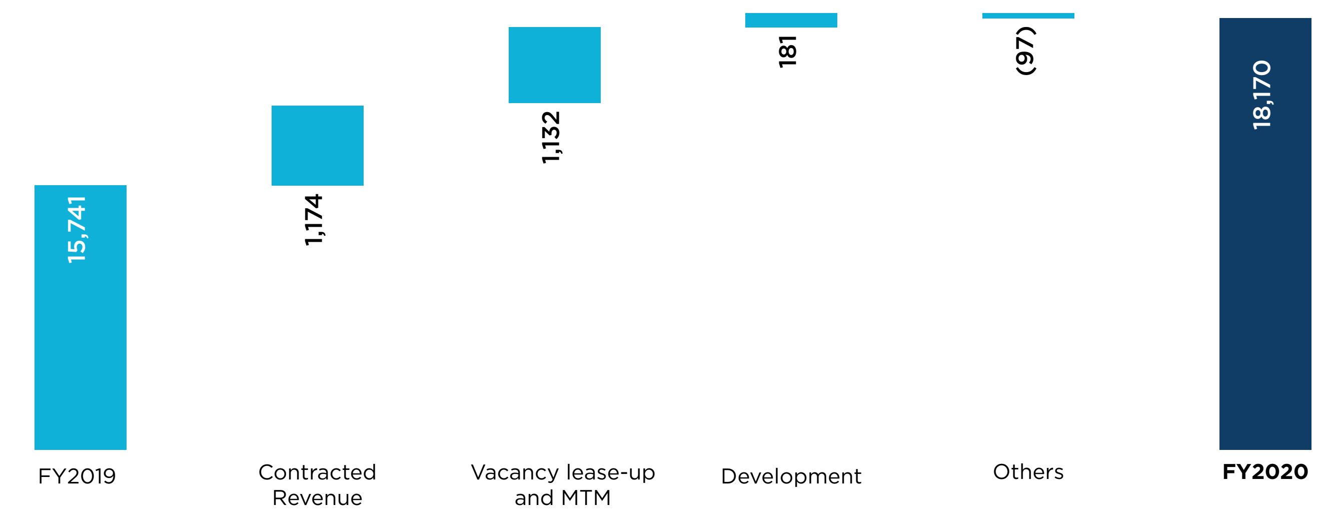
EBITDA
(₹ in million)



Cash flow from operations
(₹ in million)



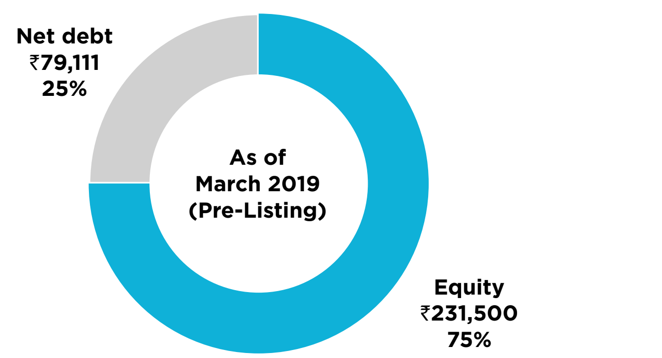
Net operating income (NOI)
(₹ in million)



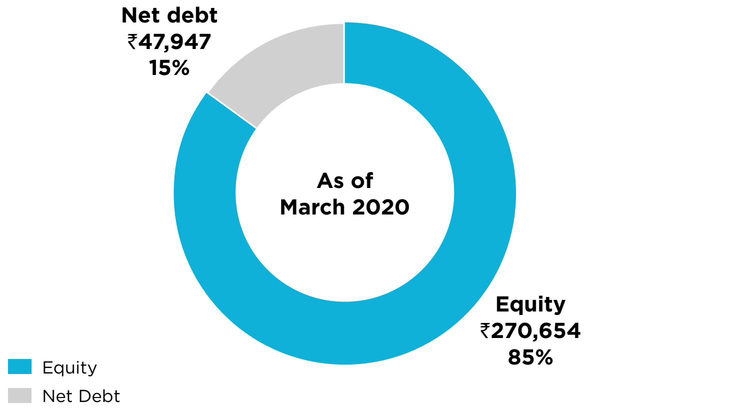
NOI (%) increase	48	47	7	(2)	15

Strong balance sheet

Net debt to capitalisation[1]
(₹ in million)



Net debt to TEV[2]
(₹ in million)



Net asset value

Particulars (₹ mn)	31-Mar-20
Gross Asset Value (GAV)[3,4]	329,746
Add: Other Assets	71,608
Less: Other Liabilities	(54,793)
Less: Gross Debt	(57,461)
Net Asset Value (NAV)	289,100
Number of Units	771,665,343
NAV per Unit (₹)	374.64

Leverage metrics

Particulars	31-Mar-20
Net Debt to TEV	15%
Net Debt to EBITDA	2.7x
Interest Coverage Ratio	
- excluding capitalised interest	5.1x
- including capitalised interest	4.0x

Proactive capital management

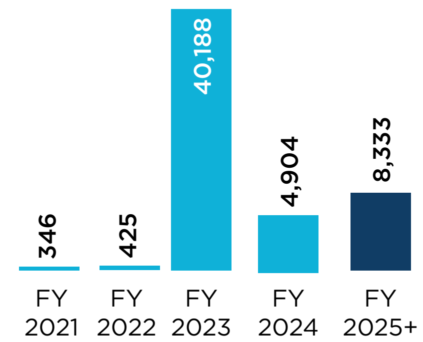
₹9,514 million
Existing cash balance[5]

1.3%
Debt maturity in next 2 years

₹3,997 million
Undrawn committed facilities

₹114 billion
Available debt headroom

Principal maturity schedule
(₹ in million)



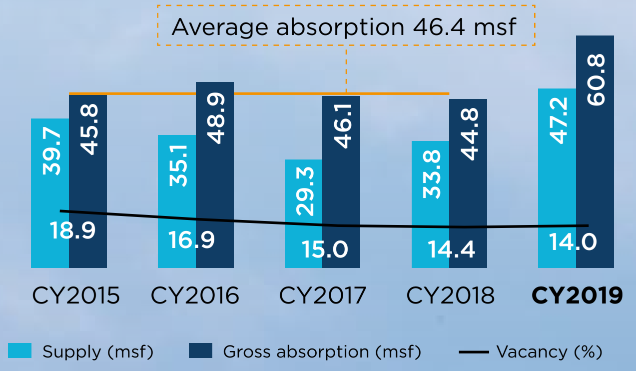
Notes:
1 Computed on listing price of ₹300/unit and excludes ₹47,500 mn cash raised through Initial Public Offering
2 Closing price on National Stock Exchange as at March 31, 2020
3 GAV per Mar'20 valuation by independent valuer. Valuation exercise undertaken semi-annually
4 Given Embassy REIT owns 50% economic interest in GLSP, GAV includes fair value of equity investment in GLSP basis equity valuation method
5 Includes treasury balances, fixed deposits etc., net of 4Q FY2020 distribution of ₹5,317 mn

OUR MARKETS

Located in India's best performing office markets

CY2019 was a record year for the Indian office market with c.61 msf of gross absorption. Embassy REIT's markets witnessed strong fundamentals resulting in record absorption and low vacancy levels.

Absorption trends



- **Absorption:** Record absorption for Indian commercial office space in CY2019, c.31%[1] higher compared to historical average
  - Bengaluru, REIT's dominant market, continued as India's leading market with c.30%[1] share of historical annual leasing
- **Supply:** Significant pre-commitments witnessed in CY2019 supply of c.47 msf, c.37% y-o-y supply growth average
- **Vacancy:** Declined c.500 bps to c.14% in the past five years, primarily driven by technology sector demand
  - Core REIT markets of Bengaluru and Pune witnessed sub-6% vacancy levels

City-wise performance – CY2019

City	Absorption[2] (msf)	Supply (msf)	Vacancy (%)
Bengaluru	16.1	10.8	4.1
Pune	7.0	4.5	5.6
Mumbai	7.1	4.3	21.0
NCR	11.1	10.5	23.4
Embassy REIT markets	**41.3**	**30.1**	**13.8**
Hyderabad	12.9	13.5	10.4
Chennai	5.5	3.3	8.5
Kolkata	1.1	0.2	36.7
Other markets	**19.5**	**17.1**	**14.6**
Grand Total	**60.8**	**47.2**	**14.0**

Source: CBRE Research, Embassy REIT

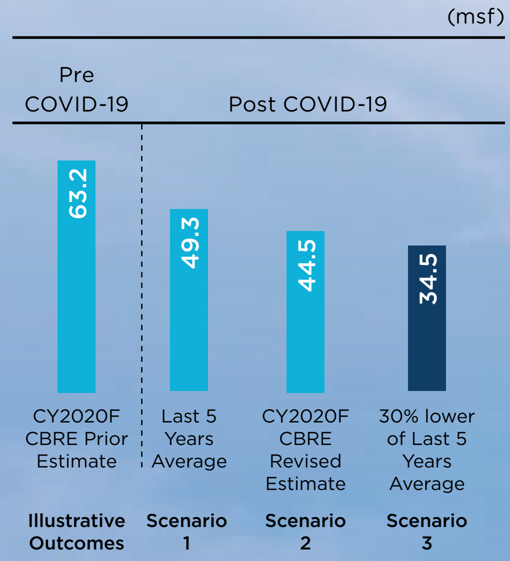
Notes:
1 Based on average annual gross absorption from CY2015 to CY2018
2 Represents gross absorption figures

Demand

Demand impacted by 30%[1] in 1Q CY2020 due to COVID-19 and is softening in short-term. In the medium-term, high-quality assets to benefit from supply shrinkage and demand from increased technology spends.

Pro forma demand analysis

Gross absorption



Source: CBRE Research, Embassy REIT

Note:
1 Jones Lang LaSalle - India Real Estate Market Update Q1 2020 dated Apr'20

Outlook

Short-term

- Limited impact for existing leases in Grade A properties
- Demand likely to soften as occupiers defer decision-making
- Low quality stock likely to come under intense pressure

Medium-term

- Absorption recovery timeline uncertain – multiple possible outcomes based on lockdown time frame
- Increased technology spends to support new lifestyles and outsourcing likely given global business pressures
- Evolving themes such as WFH, de-densification, wellness, industry consolidation, flight to quality
- India office demand well placed given talent pool, cost advantage and depreciating rupee

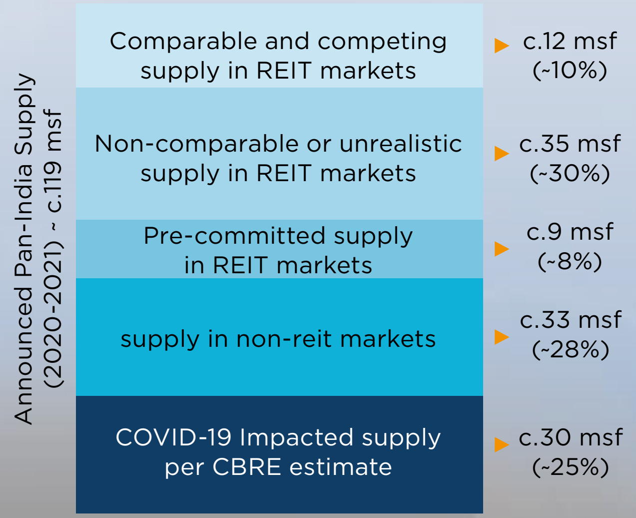
Portfolio implications

- Limited impact on operational portfolio given asset quality, long leases, below market rents and occupier stickiness
- c.1.4 msf upcoming expiries in FY2021, c.32% in advanced stages; no new REIT supply until FY2023
- Opportunity given industry consolidation, preference for institutional assets and low supply in key micro-markets

Supply

Considerable supply shrinkage from 1Q CY2020 owing to COVID-19 and likely to continue in the medium-term. Comparable and competing supply for REIT properties assessed to be even lower.

Pro forma supply analysis (2020-2021)



Source: CBRE Research, Embassy REIT
Note: Comparable and competing supply has been arrived factoring supply considerations including city, micro-markets, location, project completion timing, quality.

Outlook

Short-term

- Sharp drop likely due to COVID-19 disruptions on supply chain and labour remobilisation
- Only well-funded developers to complete projects
- 1Q CY2020 supply down c.32% y-o-y per C&W, trend to continue

Medium-term

- Dramatic liquidity squeeze to disrupt new projects
- Announced supply for next two years expected to drastically shrink by c.25% to c.89 msf per CBRE
- Supply recovery likely to lag demand recovery

Portfolio implications

- Comparable and competing supply in next two years is significantly lower at c.10% of announced supply
- REIT has no near-term new supply, c.2.6 msf ongoing developments to be delivered FY2023 onwards
- REIT developments are part of existing campuses, REIT's low leverage to enable ongoing capex financing
- REIT has flexibility to control supply timing over the medium-term

Maximising growth opportunities

We have identified both organic and inorganic avenues to grow our business in four strategic focus areas. Our aim is to maximise distributions and Net Asset Value (NAV) per unit. We also engage in proactive asset management to drive long-term value for our stakeholders.

Powerhouse leasing

Our experienced leasing team maintains an occupier-centric approach to leasing and focuses on building long-term relationships with occupiers. Dedicated customer relationship management programmes have led to robust occupier engagement, which helps us anticipate occupier requirements. Our client-centric approach has led to strong occupier retention and enabled them to expand their operations within our premises. We typically target occupiers with higher value-add operations and services. We believe these occupiers prioritise the quality work environment, that our assets offer.

Active asset management

We continuously focus on enhancing our competitive advantage as part of our 'total business ecosystem' philosophy. We invest in ancillary amenities and select infrastructure and upgrade projects. Our scale allows us to leverage our asset management and operational skill sets to enhance our assets. This allows us to attract the best companies, to our parks, command premium rentals, and deliver that value to our Unitholders.

First-mover acquisition advantage

We intend to undertake acquisitions that enhance the value of our portfolio. We believe that owning the best assets in India's top submarkets will allow us to generate strong cash flow and deliver strong, long-term returns. We believe we are well positioned to undertake both core and value-add acquisition opportunities given our pan-India presence, knowledge of local markets, best-in-class asset management capabilities and deep occupier relationships.

Deliver on development

On-campus development presents an important de-risked growth lever for us. The REIT has approximately 7.1 msf of development within our parks, and we are able to activate development according to the needs of the market. We have a well-defined pre-leasing strategy to de-risk development. We also undertake regular infrastructure upgrades and implement ancillary projects to widen our competitive moat around our infrastructure-like assets.

Prudent capital management

Our low leverage enables us to pursue accretive development and gives us ample headroom to raise debt to pursue inorganic growth through acquisitions. Additionally, we have access to sufficient liquidity, maintain a lean cost structure and are well positioned to withstand volatile leasing and financing markets.

OUR OCCUPIERS

Trusted by marquee global companies

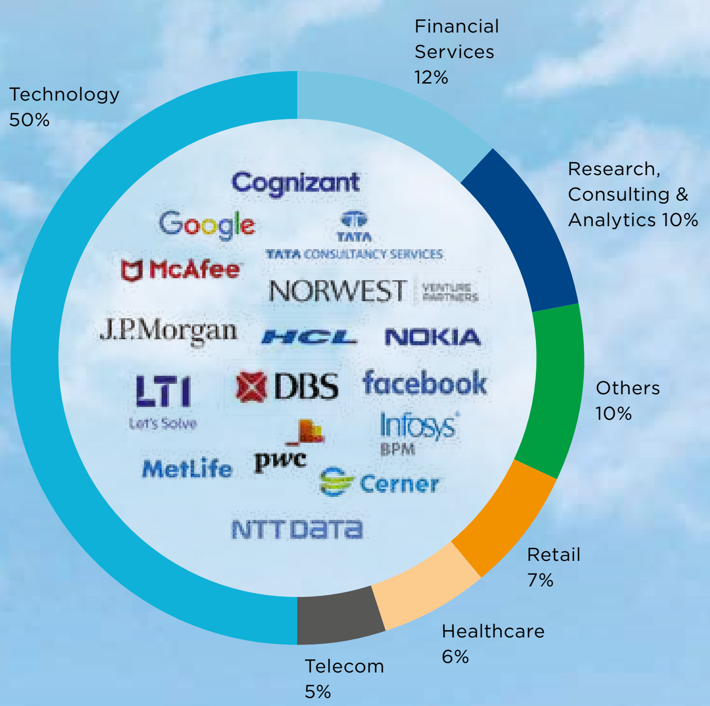
Our occupiers are predominantly multinational corporations and many of them are household names globally. These companies hire Indian talent for their skills and ability to deliver sophisticated solutions for global businesses.

50% of our rentals comes from technology occupiers, and 42% gross of rentals are from Fortune 500 companies.

78%
Multinational corporates

42%
Fortune 500 companies

Industry diversification[1]



Note:
1 Represents industry diversification percentages based on Embassy REIT's share of gross rentals

42% of gross rentals originate from top 10 occupiers

Top 10 Occupiers	Sector	% of Rentals
IBM	Technology	12%
Cognizant	Technology	9%
NTT Data	Technology	4%
ANSR	Research & Analytics	3%
Cerner	Healthcare	3%
PwC	Research & Analytics	2%
Google India	Technology	2%
NOKIA	Telecom	2%
JP Morgan	Financial Services	2%
L&T Infotech	Technology	2%
Total		**42%**

OCCUPIER FEEDBACK

Ensuring the well-being and business continuity of our occupiers

Bengaluru

I would like to extend my sincere thanks to the entire Embassy Office Parks team for the excellent support and consistent updates in response to the COVID-19 situation. From the first BCP response email received on 04-Mar-20, the Embassy team has been sending us regular updates, actions taken, and mitigation plans on a daily basis. The team identified the COVID-19 challenges much earlier than the Government response and we truly appreciate our association with Embassy Manyata Tech Park.

Global Specialty Software & QA Services Firm
at Embassy Manyata, Bengaluru

Thank you so much for your efforts to prevent COVID-19 in the Embassy One building. From the 1st day of COVID-19 case in India, your Company implemented strict measures for preventing COVID-19 and actively helped all employees to follow the guidelines. Thanks to that, all our employees are able to work safely in the office.

Asian Trade and Investment Organisation
at Embassy One, Bengaluru

Appreciate all the incredible efforts put in to ensure health and safety of employees working within the business park. The proactive and preventive measures implemented by your team were truly commendable and the results of zero positive cases in the park speak for itself. One of the most comprehensive approach I have witnessed for COVID-19 among many parks that we work with.

Global Cybersecurity Major
at Embassy GolfLinks, Bengaluru

Mumbai

Embassy Office Parks management and team have done a fantastic job in ensuring that appropriate measures are undertaken in the premises during this COVID-19 lockdown. The team has been transparent in their communication and have ensured a safe, hygienic and healthy working environment to support our business functions in the park.

Global Energy Logistics Major
at Embassy 247, Mumbai

I thank your entire team who have kept us well informed every day of the latest developments and the health and hygiene measures actioned on ground to safeguard the personnel in Embassy Office Park facilities. It gives us great comfort to know that all personnel are safe and secure in these facilities under the care of your teams.

Singaporean Banking Major
at Embassy 247 & Express Towers, Mumbai

Thanks for extending continuous support and being accommodative at all times, we really appreciate the commitments and efforts your team has taken in responding to COVID-19 to ensure all occupiers are operating and safe.

Fortune 20 Internet Search and Technology Major
at FIFC, Mumbai

Pune

Embassy Office Parks is taking really good initiative and efforts in making Embassy Qubix a safe place to work during this pandemic. Regularly interacting with us and updating us on the action plan, the team is supportive and whenever needed we found them available. Appreciate the approach and focus Embassy Office Parks team has.

Fortune 100 Global Telecommunications Firm
at Embassy Qubix, Pune

It has been a pleasure being an occupier at Embassy Quadron for over 10 years, we have enjoyed quality office space and property management service. Your support to keep office campus safe and timely updates on status of campus is really commendable during this difficult time of COVID-19. We look forward to staying at Embassy Quadron for years to come.

Indian specialty IT-BPM Firm
at Embassy Quadron, Pune

Thanks for sharing regular updates on the COVID-19 status and special mention for calling and updating on the goings-on at park and seek feedback on our preparedness. It is heartening to see that we are getting timely updates even during the crisis period."

Fortune 50 Technology Major
at Embassy Manyata, Bengaluru & Embassy TechZone, Pune

NCR

Phenomenal support extended by Embassy Oxygen team during COVID-19 lockdown. Appreciate the way the team proactively implemented COVID-19 safety measures at the very onset of the pandemic. This has been quite reassuring for us and our employees. Appreciate your professionalism and sincerely hope this relationship grows many times in the years to come.

Fortune 10 Healthcare Services Firm
at Embassy Oxygen, Noida

We really appreciate the proactive and professional approach adopted by Embassy Office Parks team. Your thought process was ahead of the curve and the far sightedness along with thought provoking ideas helped to take situational controls very well. The implementation of thoughts to action was quick enough and gave the confidence that we are in safe hands. Your teams have set a precedence for creating the much-needed safe environment.

Fortune 500 B2B Technology Services Firm
at Embassy Galaxy, Noida

PORTFOLIO OVERVIEW

A world-class portfolio

Portfolio summary

Property	Leasable Area (msf) Keys/MW			WALE[3]	Occupancy	Rent (₹ psf/mth)			GAV[4]	
	Completed	Development	Total	(yrs)	(%)	In-place	Market	MTM (%)	₹ mn	% of Total
Embassy Manyata	11.8	3.1	14.8	7.7	97.7%	60	90	51%	150,106	45%
Embassy GolfLinks[1]	2.7	-	2.7	8.9	98.3%	115	148	29%	27,014	8%
Embassy One	0.3	-	0.3	8.9	5.5%	156	147	(6%)	4,897	1%
Bengaluru Sub-total	**14.7**	**3.1**	**17.8**	**8.0**	**96.2%**	**70**	**101**	**44%**	**182,017**	**55%**
Express Towers	0.5	-	0.5	4.6	93.5%	256	270	5%	17,866	5%
Embassy 247	1.2	-	1.2	4.0	90.2%	99	110	11%	16,624	5%
FIFC	0.4	-	0.4	4.0	77.8%	297	285	(4%)	13,911	4%
Mumbai Sub-total	**2.0**	**-**	**2.0**	**4.2**	**88.8%**	**169**	**177**	**5%**	**48,401**	**15%**
Embassy TechZone	2.2	3.3	5.5	5.6	93.9%	50	48	(3%)	21,032	6%
Embassy Quadron	1.9	-	1.9	4.2	78.4%	43	48	11%	13,838	4%
Embassy Qubix	1.5	-	1.5	5.1	99.8%	39	48	23%	10,085	3%
Pune Sub-total	**5.5**	**3.3**	**8.8**	**5.1**	**90.1%**	**45**	**48**	**8%**	**44,955**	**14%**
Embassy Oxygen	2.5	0.7	3.3	11.0	78.5%	48	54	13%	21,416	6%
Embassy Galaxy	1.4	-	1.4	3.1	98.9%	34	45	34%	8,696	3%
Noida Sub-total	**3.9**	**0.7**	**4.6**	**8.4**	**85.6%**	**42**	**50**	**19%**	**30,112**	**9%**
Sub-total (Office)	**26.2**	**7.1**	**33.3**	**7.0**	**92.8%**	**68**	**89**	**30%**	**305,485**	**92%**
Four Seasons at Embassy One[2]	230 Keys	-	230 Keys	-	17%[5]	-	-	-	7,673	2%
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	-	64%[5]	-	-	-	4,436	1%
Hilton at Embassy Manyata (5 & 3 star)	-	619 Keys	619 Keys	-	-	-	-	-	3,800	1%
Embassy Energy	**100MW**	**-**	**100MW**	**-**	**-**	**-**	**-**	**-**	**10,289**	**3%**
Sub-total (Infrastructure Assets)	**477 Keys / 100MW**	**619 Keys**	**1096 Keys / 100MW**						**26,198**	**8%**
Total	**26.2 msf / 477 Keys / 100MW**	**7.1 msf / 619 Keys**	**33.3 msf / 1096 Keys / 100MW**						**331,683**	**100%**

Notes:
1 Details included in the above table are for 100% stake in Embassy GolfLinks, except GAV which reflects only our 50% economic interest
2 Four Seasons at Embassy One was launched in May'19 and is under stabilisation
3 Weighted against Gross Rentals assuming occupier exercise their renewal options after the end of the initial commitment period
4 Gross Asset Value (GAV) per Mar'20 valuation by independent valuer. Valuation exercise undertaken semi-annually
5 Represents occupancy for FY2020 / average since launch in May'19 for Four Seasons at Embassy One

DEVELOPMENT UPDATES

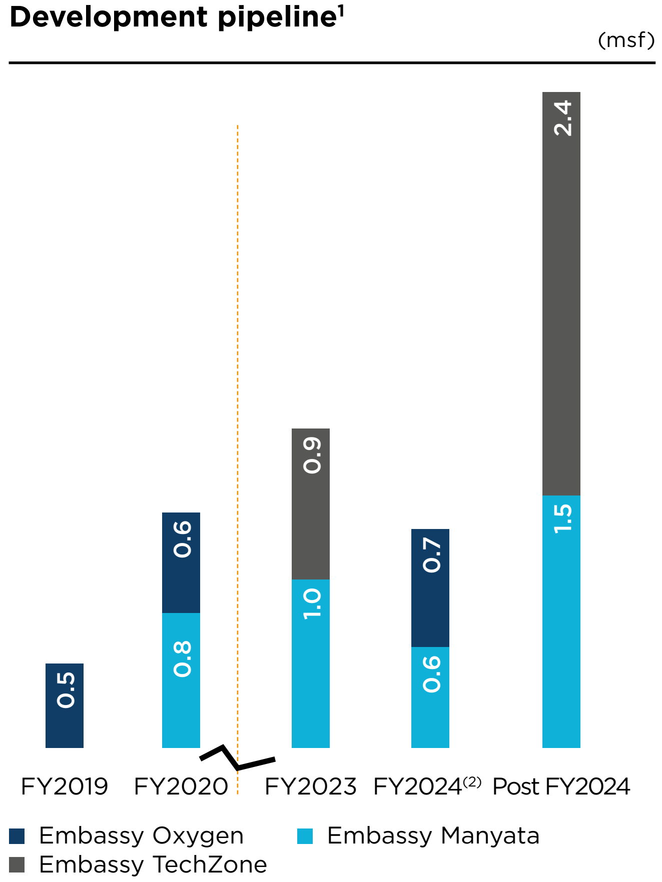
Delivering de-risked development

> **Our track record of completing projects ahead of schedule reflects our robust execution capabilities.**

Rajendran Subramaniam,
Head, Projects

We delivered about 1.4 msf ahead of the scheduled timeline. Of this, about 62.1% area has already been committed owing to the robust demand from occupiers. During the year, we launched a total of ~2.6 msf on campus office development, which will drive the next phase of our growth.

Development pipeline[1]



Notes:
1 Excludes 619 hotel keys across Hilton & Hilton Garden Inn at Embassy Manyata due for delivery in 1Q FY2023
2 Includes acquisition of c.0.6 msf M3 Block B located within overall Embassy Manyata upon building completion in 1Q FY2024

Development in progress

Asset	Projects	Area (msf) / Keys	Completion Date
Embassy Manyata	NXT Blocks	0.8	Delivered
Embassy Oxygen	Tower 2	0.6	Delivered
Embassy Manyata	Front Parcel - Hilton Hotels	619	Jun-22
Embassy Manyata	M3 Block A	1.0	Dec-22
Embassy Manyata	M3 Block B	0.6	Jun-23
Embassy TechZone	Hudson Block	0.5	Jun-22
Embassy TechZone	Ganges Block	0.4	Jun-22
Total		**3.9**	

Proposed development

Asset	Projects	Area (msf)	Remarks
Embassy Manyata	L4 Block	0.7	Design underway
Embassy Manyata	F1 Block	0.7	Design to be initiated
Embassy TechZone	Blocks 1.4, 1.9 & 1.10	2.4	Design to be initiated
Embassy Oxygen	Tower 1	0.7	Design completed, excavation works initiated
Total		**4.5**	

COMMERCIAL OFFICES UPDATE

Building on time-tested relationships

Occupiers are the core of our universe. Our high occupier retention rates demonstrate the bond we share with our existing occupier base.

Bhhavesh Kamdar,
President, Leasing

We focus on creating long-term value for our occupiers and providing them with superior experience, consistently. Our leasing team engages with occupiers regularly to stay abreast of their evolving needs and preferences.

During the year, we leased 2.4 msf completed area to 25+ occupiers and renewed 0.6 msf space with 12+ existing occupiers at 19% renewal spread.

2.4 msf
New leases signed

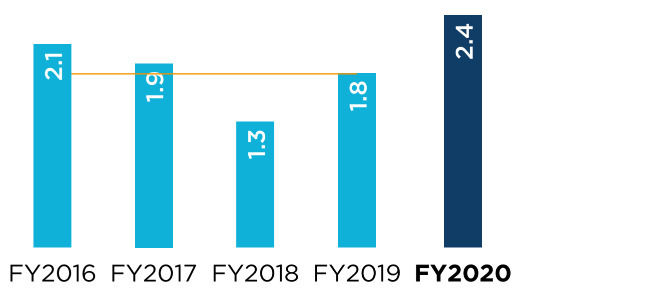
71%
Existing occupier expansion

53%
Re-leasing spreads

Notable deals signed during the year ended March 31, 2020

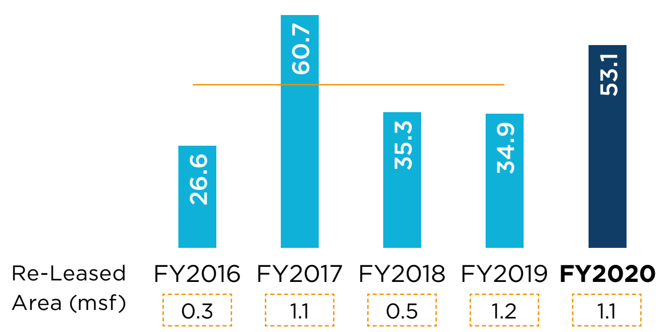
Occupier	Asset	City	Area ('000 sf)
ANSR	Embassy Manyata	Bengaluru	306
NTT Data	Embassy GolfLinks	Bengaluru	259
MetLife	Embassy Oxygen	Noida	246
HCL	Embassy TechZone	Pune	236
WeWork	Embassy Manyata	Bengaluru	220
L&T Infotech	Embassy TechZone	Pune	128
Infosys BPM	Embassy TechZone	Pune	128
GlobalLogic	Embassy Oxygen	Noida	109
Facebook	Embassy GolfLinks	Bengaluru	104
Google India	FIFC	Mumbai	61
NTT Data	Embassy Oxygen	Noida	53
Oppo Mobiles	Embassy 247	Mumbai	29
Multiple	Multiple	Multiple	471
Total			**2,351**

1.8 msf average new leases signed between FY2016 and FY2019 Area (msf)

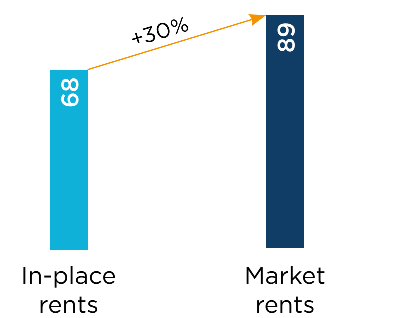


Note: New leases signed includes re-leases, excludes renewals

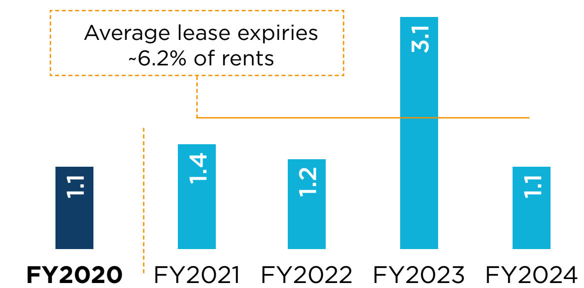
42.2% average re-leasing spread between FY2016 and FY2019 (%)



Market rents are c.30% above in-place rents (₹ psf / month)



c.25% of leases expire between FY2021–24 Area expiring (msf)



	FY2021	FY2022	FY2023	FY2024
Mark-to-market opportunity	13%	62%	36%	19%
Rents expiring	5.5%	4.4%	8.9%	6.0%

HOSPITALITY UPDATES

Complementing our office portfolio

> Our hotels serve as a strategic amenity for our office occupiers in the business parks.

Raghu Sapra,
Assistant Vice President, Hospitality

Our hospitality assets enable us to meet our occupiers' needs and represent less than 5% of our GAV, NOI and Distributions. This portfolio comprises four hotels totalling 1,096 keys. Of these, two hotels with 477 keys are operational and the rest are under development at Embassy Manyata (to be completed by Jun'22). These hotels contribute to our "total business ecosystem" offering and play a critical role in attracting corporate occupiers to our business parks.

Hilton at Embassy GolfLinks

- 247 Keys
- 5-Star Hotel
- Operational
- 4Q Occupancy: c.51% (vs. c.62% in 3Q)
- Occupancy in Jan'20 (Pre COVID-19): c.69%
- 4Q ADR: ₹9,490
- 4Q RevPAR: ₹4,797

Four Seasons at Embassy One

- 230 Keys
- 5-Star Luxury Hotel
- Operational
- 4Q Occupancy: c.24% (vs. c.26% in 3Q)
- Occupancy in Jan'20 (Pre COVID-19): c.36%
- 4Q ADR: ₹9,393
- 4Q RevPAR: ₹2,298

Hilton and Hilton Garden Inn at Embassy Manyata

- 619 Keys
- 5-Star & 3-Star Hotel
- Under Construction
- Expected completion in Jun'22
- 100k+ sf Retail and Convention Centre
- 'Best Hotel Architecture' – by Asia Pacific Property Awards

Impact of COVID-19 is limited given hotels contribute <5% of Embassy REIT's GAV, NOI and Distributions.

Building trust among our stakeholders

"As India's first listed REIT, Embassy REIT strives to maintain a best-in-class investor relations programme that focuses on the highest levels of disclosure, transparency and communications with all our stakeholders."

Ritwik Bhattacharjee,
Head, Investor Relations

FY2020 highlights

25%
Total returns

200+
Institutional investors engaged with globally

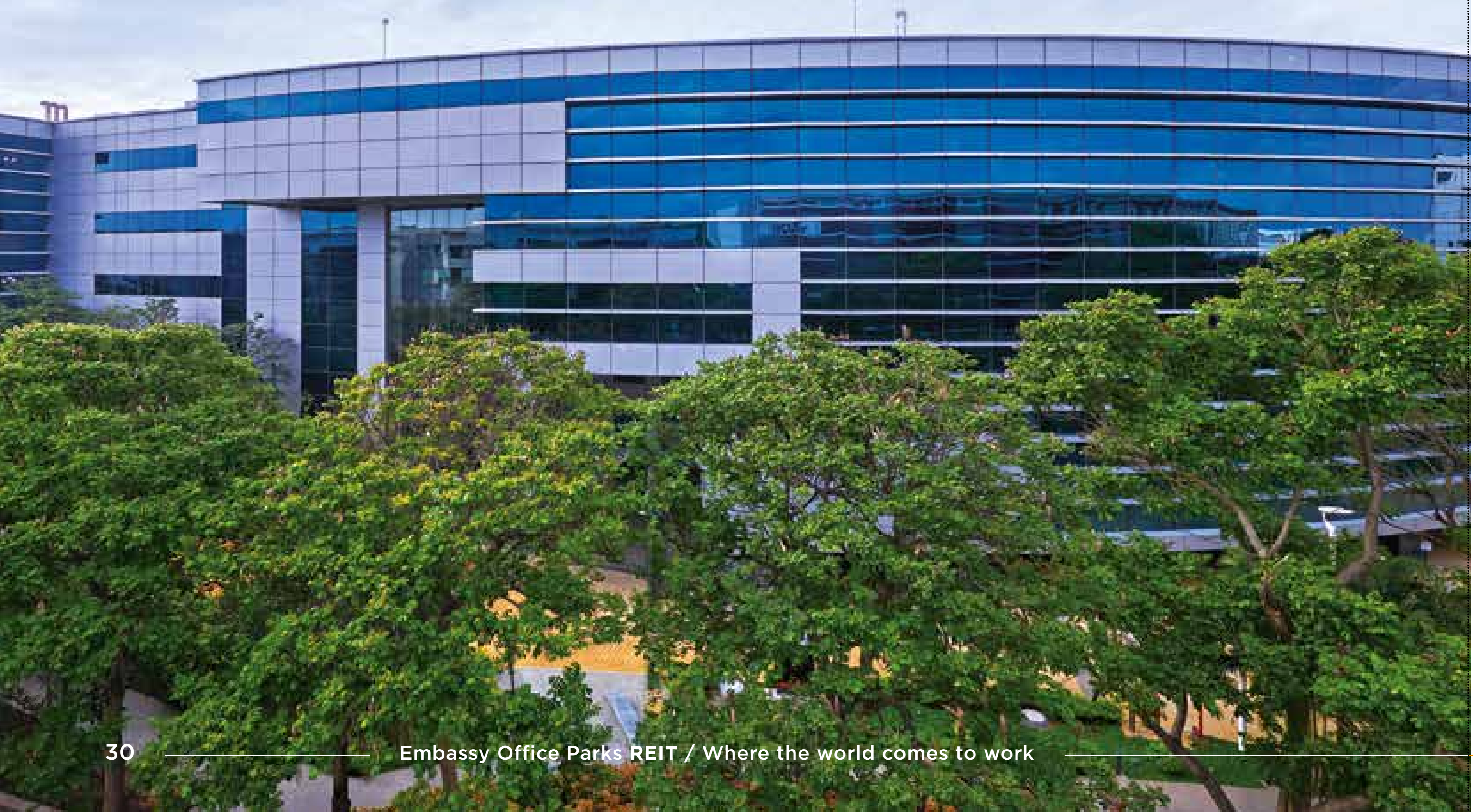
10+
Non-deal roadshows and conferences

$1+ billion
Free float

5,462
Retail Unitholders

FTSE Russell
Index inclusion

Since listing, we have interacted with over 200 investors across geographies, including Bengaluru, Mumbai, New Delhi, Chennai, London, New York, Singapore, Hong Kong and Tokyo.



In particular, we focus on

- Engaging proactively with our Unitholders
- Embracing quality disclosure standards
- Addressing Unitholders' grievances and queries swiftly and accurately

Proactive investor relations and media management

We regularly host investors and analysts for site visits, and we actively encourage Unitholders to visit our sites to understand our portfolio and our business proposition better.

We have also conducted multiple non-deal roadshows, site visits and investor conferences since listing. In these events, we engage with institutional investors, such as global institutional fund managers, domestic mutual fund managers, life insurance companies, alternative investment funds, and high net worth individuals.

Event highlights

1. For retail Unitholders, we hosted our first annual meeting in Bengaluru in July 2019
2. We hosted analysts from different brokerage houses at the Four Seasons Hotel in Bengaluru in December 2019

Broader stakeholder management and review

We also interact extensively with our regulators and exchanges to inform them of developments in the market. The reduction of trading lot sizes in September, for instance, was an important collaborative exercise to ensure that liquidity remains of paramount importance to Unitholders and to create a healthy trading environment for REITs.

Investor and analyst engagement calendar FY2020

Date	Event	Venue
April 1	Listing of REIT on Indian Stock Exchanges (NSE, BSE)	Mumbai
April 24	Analyst Engagement Meeting	Mumbai
June 7 & 10	International Non-deal Roadshow	London
June 11	Morgan Stanley 21st Annual India Summit	Mumbai
June 19	International Non-deal Roadshow	Singapore
June 20-21	International Non-deal Roadshow	Hong Kong
July 25	First Annual General Meeting	Bengaluru
Aug 13-14	Domestic Non-deal Roadshow	Mumbai
Sep 5-6	International Non-deal Roadshow	Tokyo
Sep 10-11	Bank of America Merrill Lynch Global Real Estate Conference, 2019	New York
Sep 19	JP Morgan India Investor Summit	New Delhi
Sep 30	International Non-deal Roadshow	Singapore
Nov 20-21	Morgan Stanley Summit	Singapore
Nov 22	International Non-deal Roadshow	Singapore
Feb 18	Kotak Annual India Conference	Mumbai

Analyst coverage

Embassy REIT is covered by following brokerage houses:

- Ambit Capital
- Axis Capital
- Axis Securities
- Bank of America
- Credit Suisse
- CLSA
- Goldman Sachs
- IIFL Securities
- ICICI Securities
- J.P. Morgan
- Kotak Institutional Equities
- Macquarie Research
- Morgan Stanley
- UBS Securities

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Sell-side analysts cover Embassy REIT

Committed to highest standards of disclosure and transparency

Embassy REIT adheres to the highest standards of corporate disclosure and transparency. We comply with all SEBI and exchange regulations to ensure that we fulfil our listing and notification requirement obligations.

We also place all notifications on our website to ensure that our Unitholders can easily access them. We have created a reporting package that mirrors the reporting standards of global REITs.

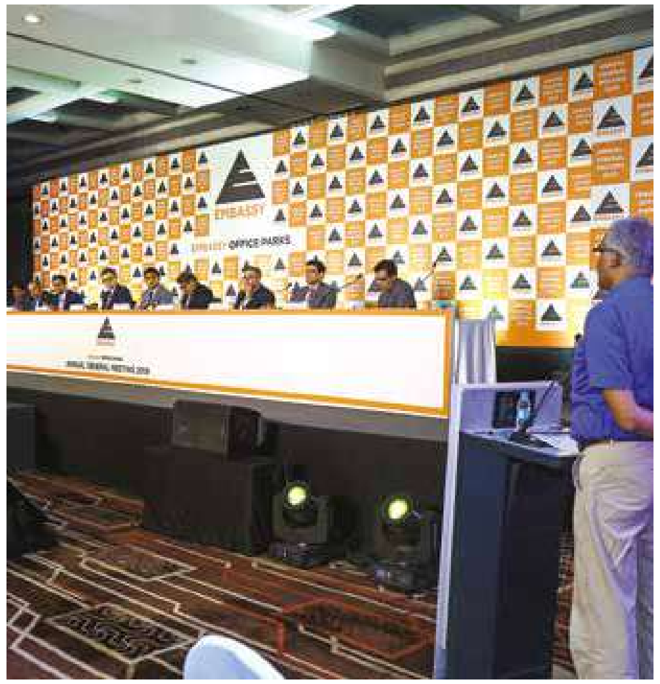
Every quarter, we deliver a consolidated set of information that includes:

- Audited financial statements
- Earnings presentation
- Supplementary data book providing an in-depth look at our business
- Valuation report (semi-annually)
- Unitholders report (semi-annually)

Financial and distributions calendar FY2021

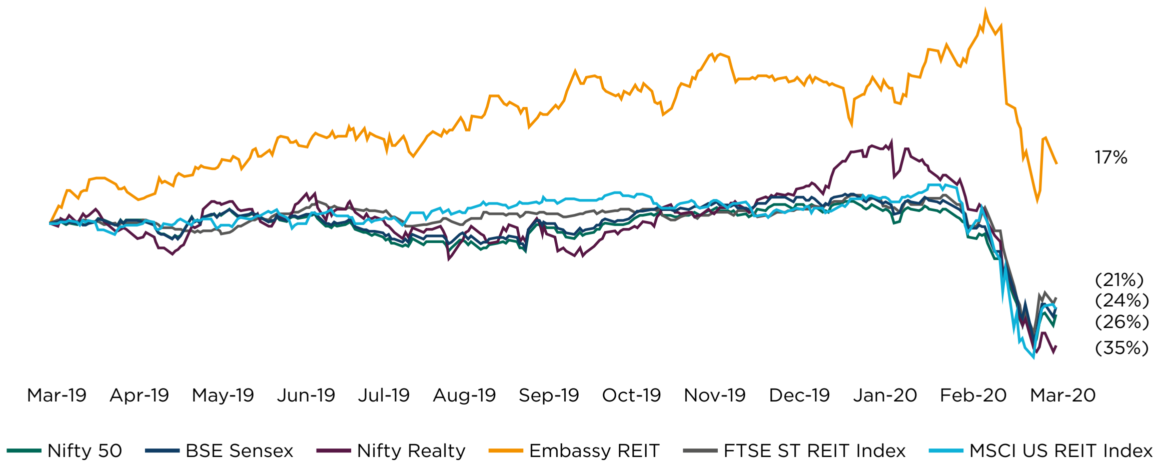
Date	Event
Aug 2020	1Q FY2021 Results and Earnings Call
	Payment of 1Q FY2021 Distribution
Oct 2020	2Q FY2021 Result and Earnings Call
	Payment of 2Q FY2021 Distribution
Feb 2021	3Q FY2021 Results and Earnings Call
	Payment of 3Q FY2021 Distribution
Apr 2021	4Q FY2021 Result and Earnings Call
	Payment of 4Q FY2021 Distribution

Note: Above timelines and distribution are tentative based on past trends



Rewarding Unitholders

Comparative trading performance since listing



Source: NSE (Designated stock exchange), BSE and Factset as of March 31, 2020 since listing

25% **Total returns since listing**

16.9% **Capital appreciation**

8.1% **Distribution yield**

Trading snapshot

Key Statistics	NSE	BSE
Unit Price		
Listing: Apr 1, 2019	300.00	300.00
Opening: Apr 1, 2019 (₹)	308.00	300.00
Closing: Mar 31, 2020 (₹)	350.74	351.51
52-week High (₹)	512.00	518.00
52-week Low (₹)	301.35	300.00
Market Capitalisation		
₹ Billion	270.65	271.25
Average Daily Trading Volume		
Units	398,951	60,856
₹ million	154.99	24.06

Source: NSE (Designated stock exchange) and BSE as of March 31, 2020 since listing

On September 20, 2019 Embassy REIT was included in the FTSE Russell Global Equity Index series. The inclusion of Embassy REIT into the indices enables new pools of capital to invest in the REIT.

Unitholding pattern

Particulars	Units (mn)	%
Sponsor & Sponsor Group		
Blackstone	426.76	55.30
Embassy	115.48	14.97
Total Sponsors	**542.25**	**70.27**
Institutions		
Foreign Portfolio Investors	126.32	16.37
Body Corporates	5.09	0.66
Mutual Funds	2.16	0.28
Insurance Companies	1.83	0.24
NBFCs	1.29	0.17
Alternative Investment Funds	0.60	0.08
Trusts	0.25	0.03
Clearing Members	0.08	0.01
Sub-total Institutions	**137.61**	**17.83**
Non-Institutions		
Individuals	90.77	11.76
NRIs - Non-Repatriable	0.68	0.09
Hindu Undivided Family	0.19	0.03
Non-resident Indians (NRIs)	0.16	0.02
Sub-total Non-Institutions	**91.80**	**11.90**
Total Units Outstanding	**771.67**	**100%**

Note: As of March 31, 2020

Closing the gap together

> **Through Embassy Office Parks' Corporate Connect Programme, we have partnered with 21 corporates for 41 projects in the spaces of health, education and public infrastructure. The Hegde Nagar school is the latest amongst a number of initiatives, where Embassy REIT and its corporate partners have collaborated to impact the lives of over 25,000 students across Bangalore, Pune, and Noida.**

Shaina Ganapathy,
Head of Community Outreach

Our occupiers are responsible corporate citizens who have integrated sustainable principles and practices across their operations.

Through the Embassy Office Parks Corporate Connect Programme, our unique community outreach platform, we drive collaboration among corporates for achieving social development.





Case study: Government Kannada Higher Primary School, Hegde Nagar

Key challenge faced by the school
- Lack of proper infrastructure for 650+ students
- Inability to attract new students

What did we do?
We partnered with ANZ – a leading Melbourne-based bank, and with our educational NGO partner – Colours of Life, to develop the school.
- Constructed a new building (at a cost of ₹2.86 crore) for the school in June 2019
- The building features 15 classrooms, a staff room, a library, science labs, a kitchen, a toilet block and a multi-purpose indoor hall
- New enrolments increased by 200 post completion of this building

Focus on enhancing health and hygiene
We engaged 15 employees of ANZ to conduct short health awareness programmes and distribute health kits to the students of the school.

How are we moving ahead in this direction?
- We have partnered with ANZ to construct Government Urdu Higher Primary School in Bengaluru
- Construction of this school will be completed in 2020 at a cost of ₹3.98 crore
- This school will have capacity for 800 additional students annually, post completion of the building
- We will also provide fully-equipped common play area in the grounds between the two schools
- Both schools will receive daily school and toilet maintenance as well as full-time security

Supporting communities during the pandemic

> As part of our Embassy Office Parks' Corporate Connect Programme, we brought together corporate leaders in social impact from across the private and public sectors on a common platform to discuss shared challenges and visions. Post the coronavirus outbreak, we scaled up relief measures for the underprivileged members of our society.

Michael Holland,
Chief Executive Officer

Embassy REIT launched various initiatives to support frontline workers fighting the coronavirus pandemic and to daily wage earners struggling to make ends meet during the lockdown. Embassy employees, along with its occupiers and partners, contributed over ₹115 lakh to provide dry rations, nutritious meals, drinking water and sanitation.

Case study: Combating the coronavirus pandemic, together

Supporting police forces across the country

- Established 24-hour hydration stations in Bengaluru to support traffic police personnel, since March 27
- Provided hydration stations with access to drinking water, snacks, coffee and tea, first aid, sanitisers and toilets
- Hydration stations are also operational in Mumbai, Noida, Pune and Chennai
- Conducted weekly sanitisation and fumigation for police and fire stations in the vicinity of Embassy 247 in Mumbai

Providing necessities to police forces across Bengaluru, Mumbai, Noida and Pune

1,05,800
Protective masks

1,05,400
Nutrition bars

50,150
Sanitisers

Standing together with the underprivileged

- Donations of ₹75 lakh were made to distribute dry rations for the underprivileged
- We are supporting over 1,200 construction workers at our various Group construction sites by providing them food rations, clean drinking water, handwashing stations and regular sanitisation of their living spaces.
- Other beneficiaries include daily wage and migrant workers, construction workers in camps and people below the poverty line in Bengaluru

Dry rations equivalent to
4,70,000
Meals were distributed in Bengaluru

3,500 families of students of our 16 adopted schools
Received food rations

Embassy REIT's focus areas for social development include the spheres of education and health.

Embassy REIT signed an MoU in July, 2019 with Cerner - a global health platform and innovation company - to enhance the health & hygiene infrastructure of 14 Government Schools in Bangalore.

Going above and beyond, we jointly impacted over 25,000 students in 133 Bengaluru, Pune, and Noida Government Schools during the last academic year.

In addition to providing preventative health measures in the form of health kits, awareness sessions, nutritional supplements, safe drinking water and the daily maintenance of 189 classrooms and 200 toilet stalls, we have also offered annual health check-ups, including for dental and vision with the maintenance of medical records.

Medical interventions, if required, were provided free of cost.

Joining Embassy REIT and Cerner in this initiative was a consortium of corporates, including Cognizant, Swiss Re and Luxoft.

In the 2019-20 academic year to date

- We screened 26,278 students and treated 6,178 students for health problems
- Referred 2,237 students to hospitals for further and specialised treatments
- Provided health kits to 11,400 students
- Engaged 28 employees of Cerner through its health and hygiene programme

Promoting sustainable development

It is our constant endeavour to reduce our environmental footprint. We are committed to utilising our resources efficiently based on our three 'R' principles, namely RE-USE, RECYCLE and REDUCE which we practice, and ensuring sustainability as a prime focus of our operations.

Rajan M G,
Head, Operations

At Embassy REIT, we are committed to conserving the environment, and we encourage sustainable development. Ensuring the safety, health and well-being and business continuity of our park occupiers are of paramount importance to us. We make every effort to align our business activities with the global sustainability goals and the sustainability commitments of our occupiers.

We build energy-efficient buildings and many of our properties are rated by the Leadership in Energy and Environmental Design (LEED) as Platinum or Gold assets. It is of utmost importance to us that we reduce the environmental footprint of our assets and provide a greener and safer work environment to our occupiers.

Embassy REIT owns a 100 MW solar park which provides renewable energy to all our properties in Bengaluru. The solar park has an electricity generation capacity of 215 mn units per annum and offsets up to 173 mn kg of CO_2 annually. Increasingly, our corporate occupiers are embracing and expanding solar energy production through installations of rooftop solar panels.

In all our parks, we have rainwater harvesting, water recycling through sewage treatment plants, water conservation practices, integrated waste management and energy optimisation techniques that focus on reduction of overall energy consumption.

In 2019-20, we offset about 187 mn kg carbon emissions owing to our green initiatives and energy management practices.

At Embassy Office Parks, we celebrate important environmental and sustainability related events and our occupiers join us in these celebrations. On the occasion of World Environment Day, we initiated a tree plantation drive along with our occupiers. We also distributed free saplings to our occupiers and encouraged them to undertake an Environment Pledge with us to safeguard the environment and reduce pollution.

As part of our green initiative, we introduced eco-friendly CNG shuttle buses at Embassy Oxygen, Noida that ply between our park and the nearest Metro stations. We also adopted 100% electric vehicles in Embassy GolfLinks for employees of the park, and we utilise an app-based car-pooling service 'Green Rider' at Embassy Manyata.

Solarising Embassy 247, Mumbai

During the year, we installed solar rooftop panels at the Embassy 247 in Mumbai. These panels span the entire business park, and cover an area of 4,000 sqm of roof area. This installation will lead to multiple benefits in terms of cost rationalisation and reduction in the carbon footprint of our operations.

Project highlights

₹7 million
Annual savings

525 KW
Installed capacity

7,40,000 units
Annual power generation

16,275 tonnes
CO_2 mitigation

GOVERNANCE

Strict adherence to regulatory framework

> **Embassy REIT has been built on foundations of strongest governance standards.**

Vikaash Khdloya,
Deputy Chief Executive Officer and COO

We are subject to various REIT regulations in order to protect the interest of our Unitholders.

The Manager employs the following decision-making framework

Decisions taken by the Manager to be undertaken by the Board of Directors of the Manager either

- Directly or
- Through a committee of the Board of Directors of the Manager

As per the materiality of the decision to be made

For larger and significant transactions, decisions taken by the Board of Directors of Manager will be subject to approval from majority Unitholders.

Strong regulatory framework that protects Unitholder interest

Asset

- Minimum 80% of value in completed and income producing
- Minimum 90% of distributable cash flows to be distributed
- Restrictions on speculative land acquisition

Manager

- 50% Independent Directors, with 50% representation on all committees
- Manager can be removed with 60% approval of unrelated Unitholders
- Alignment with Unitholder interests due to a distribution-linked management fees structure

Debt

- Majority Unitholder approval required if debt exceeds 25% of asset value
- Debt cannot exceed 49% of asset value

Related Party Safeguards

- Sponsors are prohibited from voting on their related party transactions
- Majority Unitholder approval required for acquisition or disposal of asset which exceeds 10% of REIT value
- Acquisition or sale price of new asset cannot deviate from average valuation of two independent valuers by + / - 10%
- Fairness opinion from independent valuer required if related party leases exceed 20% of the underlying asset's rentals

SPONSORS

Renowned sponsors with a proven track record

We are promoted by Embassy Group (Embassy) and Blackstone.

EMBASSY

Embassy
The local expert

Among the leading commercial real estate developers in India, with interests in office, industrial, co-living, and residential sectors.

Owns extensive landbank in India

Integrated platform of project management, land acquisitions and marketing of real estate assets.

Has adopted local schools and promotes health and fitness in local communities.

25 years+
track record of working across land acquisition, development and marketing of assets

45 msf
completed area across residential and office development

Blackstone

Blackstone
The global manager

A leading global investment business investing capital on behalf of pension funds, large institutions and individuals, with a Total Assets Under Management ("AUM") of $538.0 billion

Real Estate Business

A global leader in real estate investing.

$161 billion
Total AUM

$324 billion
Total Enterprise Value of portfolio

550
real estate professionals across 11 offices

All data as of March 31, 2020

BOARD OF DIRECTORS

Overseeing progress and commitment

Our Board comprises eminent experts from diverse industries.

DR. RANJAN PAI
Independent Director

1 2 4 5 6 M M CP M M

Dr. Ranjan Pai holds a bachelor's degree in medicine and a bachelor's degree in surgery from the Manipal Academy of Higher Education. He has been the Managing Director and Chief Executive Officer of the Manipal Group of companies, and the Managing Director of MEMG Malaysia Sdn. Bhd. He is currently on the board of directors of several Manipal Group companies, including Manipal Healthcare Private Limited, Manipal Health Systems Private Limited and Manipal Cure and Care Private Limited.

MR. VIVEK MEHRA
Independent Director

2 3 4 5 CP M M CP

Vivek Mehra holds a bachelor's degree in commerce (Hons.) from the University of Delhi. He is a member of the Institute of Chartered Accountants of India. He was with PricewaterhouseCoopers Private Limited for 19 years and retired as partner in 2016. He is currently on the board of DLF Limited, HT Media Limited, Jubilant Life Sciences Limited, Grassroot Trading Network for Women and Clean Solar Power (Hiriyur) Private Limited.

MR. ANUJ PURI
Independent Director

1 2 5 CP M M

Anuj Puri holds a bachelor's degree in commerce from the University of Delhi. He is a fellow of the Royal Institution of Chartered Surveyors and of the Indian Institute of Insurance Surveyors and Loss Assessors. He is an associate of the Institute of Chartered Accountants of India and of the Chartered Insurance Institute, United Kingdom. He has also been given the title of 'Chartered Insurance Practitioner' by the Chartered Insurance Institute. He is currently a director of Jagran Prakashan Limited, Music Broadcast Limited, ANAROCK Investments Advisors Private Limited, Puri Crawford Insurance Surveyors and Loss Assessors India Private Limited, ANAROCK Property Consultants Private Limited, Amrta Consulting Private Limited and ANAROCK Group Business Services Private Limited.

DR. PUNITA KUMAR SINHA
Independent Director

2 3 5 M CP M

Dr. Punita Kumar Sinha holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, New Delhi, a master's degree and a PhD from the Wharton School, University of Pennsylvania, and a master's degree in business administration from Drexel University. She is a member of the CFA Institute, the Council on Foreign Relations and a charter member of TiE-Boston. She is a Chartered Financial Analyst and has been elected to serve on the board of governors of the CFA Institute, USA. She founded Pacific Paradigm Advisors LLC. Earlier, she was the Chief Investment Officer for The India Fund Inc. and the Asia Tigers Fund Inc. and a portfolio manager at Oppenheimer Asset Management.

1 Investment Management Committee
2 Audit Committee
3 Stakeholders' Relationship Committee
4 Nomination and Remuneration Committee
5 Risk Management Committee
6 CSR Committee
CP Chairperson
M Member

BOARD OF DIRECTORS

MR. JITENDRA VIRWANI
Non-executive Director Chairman

1 2 4 5 M M M M

Jitendra Virwani is the Chairman and Managing Director of Embassy Group, including the Embassy Sponsor. He is also the founder of the Embassy Sponsor. He has over 25 years of experience in the real estate and property development sector. He is a fellow of the Royal Institution of Chartered Surveyors and a member of the Equestrian Federation of India.

MR. ADITYA VIRWANI
Non-executive Director

3 6 M M

Aditya Virwani is Chief Operating Officer of Embassy Group. He holds a Bachelor of Science degree in business administration from the University of San Francisco. He is on the board of several Embassy group companies.

MR. ROBERT CHRISTOPHER HEADY
Non-executive Director

2 3 5 M M M

Robert Christopher Heady holds a bachelor's degree from the University of Chicago. He has been with Blackstone since 2000 and is currently the Chairman of Asia Pacific, Head of Real Estate Asia for Blackstone.

MR. TUHIN PARIKH
Non-executive Director

1 4 6 M M M

Tuhin Parikh holds a bachelor's degree in commerce from Mumbai University and a postgraduate diploma in management from the Indian Institute of Management, Ahmedabad. He was on the board of TCG Urban Infrastructure Holdings Limited from 2002 to 2007. He has been with Blackstone since 2007 and is currently the Senior Managing Director of Blackstone Real Estate's operations in India.

1 Investment Management Committee
2 Audit Committee
3 Stakeholders' Relationship Committee
4 Nomination and Remuneration Committee
5 Risk Management Committee
6 CSR Committee
CP Chairperson
M Member

MANAGEMENT TEAM

Experienced leadership team

MR. MICHAEL HOLLAND
Chief Executive Officer

Michael Holland holds a master's degree in Property Development (Project Management) from Thames Polytechnic and South Bank University and is a fellow of the Royal Institution of Chartered Surveyors. He has over 20 years of experience in the commercial real estate sector in Asia and Europe. Prior to joining the Embassy Group, he was the Chief Executive Officer of Assetz Property Group. He founded the Jones Lang LaSalle India business and served as its Country Manager and Managing Director from 1998 to 2002.

MR. VIKAASH KHDLOYA
Deputy Chief Executive Officer and Chief Operating Officer

Vikaash Khdloya holds a bachelor's degree in commerce from Osmania University. He is a fellow member of the Institute of Chartered Accountants of India (Gold Medalist). He is also a certified fraud examiner, an internal auditor and a CFA charter holder. He has over 11 years of experience in the real estate sector and over 17 years of experience in all. Prior to joining the Manager, he was a Managing Director in the Real Estate Group at Blackstone Advisors India Private Limited. Earlier, he worked as Vice President at Piramal Fund Management (erstwhile Indiareit) and as the Chief Financial Officer at Gameshastra Solutions Private Limited. He also co-founded Earnest People's Initiative for a Caring Society Trust.

MR. RAJESH KAIMAL
Chief Financial Officer (Resigned w.e.f. May 19, 2020*)

Rajesh Kaimal holds a bachelor's degree in commerce from K. J. Somaiya College of Arts and Commerce and a master's degree in business administration from the Institute for Technology and Management. He has over 23 years of experience in the finance and budget sectors. He was previously associated with the Manipal Group of companies from 2000 to 2017. He also worked with Ruchi Soya Industries Limited as an Assistant Manager – Finance, Blue Cross Laboratories Limited as an Assistant Manager – Budget and Afcons Infrastructure Limited as an Executive – Finance.

MR. ARAVIND MAIYA
Chief Financial Officer Erstwhile Deputy Chief Financial Officer (w.e.f. May 19, 2020*)

Aravind Maiya joined Embassy REIT in May 2019 as Deputy Chief Financial Officer. He holds a bachelor's degree in commerce from Bengaluru University and is an associate member of the Institute of Chartered Accountants of India.

He has over 18 years of experience in the field of finance, audit, consulting, risk management and compliance. Prior to joining Embassy REIT, he was associated with BSR & Associates LLP between 2001 to 2019 wherein his last held position was Partner – Assurance and Audit Services. He specialised in real estate sector with specific focus on commercial real estate related work during his long stint with BSR.

MR. SACHIN SHAH
Chief Investment Officer

Sachin Shah holds a Bachelor of Science degree from the School of Business, Babson College, Massachusetts and a master's degree in business administration from the Faculty of Business Administration, Harvard University. He has over 17 years of experience in the real estate sector. He worked at the Starwood Capital Group from 2001 to 2006, where his last held position was Vice President of Acquisitions and was associated with Blackstone as an analyst from 1998 to 1999. He was a key person of Samsara Fund Advisors Private Limited, the investment advisor to Catalyst Samsara India Opportunity Fund I LP.

MR. BHHAVESH KAMDAR
President, Leasing

Bhhavesh Kamdar holds an executive master's degree in business administration from S.P. Jain Institute of Management & Research, Mumbai. He has over 26 years of experience in the real estate, technology and engineering industry. He worked at Larsen & Toubro Limited from 1993 to 2014, where his last held position was Deputy General Manager –Leasing and Marketing (Commercial). He has been associated with the Manager since 2014.

MR. RITWIK BHATTACHARJEE
Head, Investor Relations

Ritwik Bhattacharjee holds a bachelor's degree in economics from Middlebury College, a master's degree in business administration from the Amos Tuck School of Business Administration, Dartmouth College, and a master's degree in law and diplomacy from the Fletcher School of Law and Diplomacy, Tufts University. He has over 12 years of experience as an investment banker. He was previously associated with Nomura Singapore Limited as an Executive Director and UBS AG Singapore branch as a Director in the investment banking division. Prior to joining the Manager in 2018, he was responsible for overseeing an internal family office portfolio of real estate as well as public and private investments.

* Board of Directors of Embassy Office Parks Management Services Private Limited, Manager to Embassy Office Parks REIT ("Embassy REIT") at its meeting held on Tuesday, May 19, 2020 through Audio-Visual Electronic Communication has accepted the resignation of Mr. Rajesh Kaimal, Chief Financial Officer of the Company as Manager to Embassy REIT with effect from close of business on May 19, 2020. Mr. Kaimal plans to pursue professional opportunities in the Embassy Group. Further, Board also approved the appointment of Mr. Aravind Maiya, Deputy Chief Financial Officer, as the Chief Financial Officer of the Company as Manager to Embassy REIT with effect from close of business on May 19, 2020.

MANAGEMENT TEAM

MR. RAJAN M G
Head, Operations

Rajan M G holds a Civil Engineering Diploma from the Department of Technical Education and is a member of the Royal Institute of Chartered Surveyors. He has around three decades of experience in the fields of Construction, Project Management, Facilities Management and Environmental Health and Safety. Prior to joining Embassy REIT, he was the Vice President and Head of Corporate Real Estate and Facilities at EXL.

MR. RAJENDRAN SUBRAMANIAM
Head, Projects

Rajendran Subramaniam is the Head – Projects of the Manager. He holds a bachelor's degree in commerce and a master's degree in commerce from Madurai Kamaraj University. He is an associate of the Institute of Chartered Accountants of India. He has worked as Manager (Accounts) with Sandur Laminates Limited and as Regional Head (Commercial) – South with Electrosteel Castings Limited. He was associated with Tishman Speyer India Private Limited prior to joining the Manager.

MR. RAGHU SAPRA
Assistant Vice President, Hospitality

Raghu Sapra holds a diploma in hotel management and catering technology from the National Council for Hotel Management and Catering Technology, New Delhi. He has over 18 years of experience in the hospitality sector. He has previously worked at the Radisson Hotel, Delhi, The Imperial, New Delhi, at Hyatt Regency Mumbai, Hyatt Regency Delhi and Marriott Executive Apartments & Renaissance Hotel & Convention Centre. From 2011 to 2017 he was employed as the General Manager and Director of Operations at various hotels managed by the 'Hilton' brand.

MR. DONNIE DOMINIC GEORGE
General Counsel

Donnie is a Law Graduate (B.A. LL.B-Hons.) from Gujarat National Law University and has 10+ years of experience and in his prior assignment, he was working as Deputy Vice President at Lodha Group, Mumbai, where he was heading the Non-litigation cell. He has also worked with Bharucha & Partners as Senior Associate handling Mergers & Acquisitions, Foreign Direct Investment and General Corporate, Regulatory, and Banking & Finance for their clients.

In his current role at Embassy Office Parks Management Services Pvt Ltd, he is supporting the senior management on legal, compliance and regulatory framework and acts as a business legal partner.

MR. RAMESH PERIASAMY
Company Secretary and Compliance Officer

Ramesh Periasamy is the Company Secretary and Compliance Officer of the Manager and the Compliance Officer of the Embassy REIT. He holds a bachelor's degree in law from Bengaluru University. He is an associate of the Institute of Company Secretaries of India and is enrolled as an Advocate on the Rolls of the Bar Council of Tamil Nadu. He has previously worked as a Company Secretary and Compliance Officer at Manappuram Finance Limited and has several years of work experience in legal, corporate compliance and secretarial functions with Chemmanur International Jewellers, Kalyan Jewellers India Private Limited and SFO Technologies Private Limited.

MRS. MANSI BAHL
Human Resources Manager

Mansi Bahl holds a post graduate diploma in Human Resource Management from Amity Business School. She has over 12 years of experience in HR Operations, Leaning and Development, Talent Acquisition and Performance Management System. Prior to joining Embassy Office Parks, she has worked with KCT Bros (Coal Sales) Ltd. and DLF in the real estate industry.

OUR PEOPLE

Thank you to our team

Acquisitions

Gaurav Rajnikant Shah

Commercial Leasing

Anshal Chaturvedi
Dennis Joseph Valanatt
Devvrat Rajgopal
Dimpy Dogra
Keerthana C P
Mamta Chand
Rishad Naval Pandole
Saurabh Arun Todi
Tej Ram Sharma
Vaibhav Jindal
Vishal Vashisth

Corporate Finance

Aditya K Venkatesh
Amit Anil Kharche
Mandar Vijay Inamdar
Mohit Bagri
Rahul Chhajer
Ray Vargis Kallimel

Counsel and Compliance

Apoorva Ravi
Bindu C C
Preety Gupta
Rithesh S
Suzette Ruth Pereira
Venkatesh Ranganath

Executive Office

Nishant Govardhan Agrawal
Sarita Chaudhury

Finance and Accounts

Chandrahas K Purohit
Chandrappa Hanumanthappa Sali
Devipresad C Raykar
Kapil Rameshchandra Agrawal
Karthik Haridas Acharya
Ken Kurien
Kunal H Shah
Mahadeva D N
Manish Khandelwal
Manish Patwari
Mittal Jayanti Vaja
Nilesh Girdharilal Marshiya
Praveen Ram Pise
Sachinkumar Magundappa Bevinamarad
Saritha Prabhakar
Savitha Babu
Savitha Suresh
Sridharappa
Sujith M
Sunil Kumar H
Sunny Ahuja

Human Resources

Divya Gupta Pohare

Information Technology

Anil Dattu Patil

Investor Relations

Ankit Naita
Sakshi Garg

Marketing and Communications

Somtirtha Das

Media Relations

Deepa Jayaraman

Operations

Digvijay Shahajirao Shinde
Hrishikesh Arvind Rajhans
Pradeep Kumar Sharma
Raiju John Balan
Rajiv Banerjee
Sandeep Kumar M N
Sandeep Prabhakar Manjrekar
Sandeep Shrikisan Tapadia
Sangram Singha
Sheetal Purandar

Procurement

Anuradha Rao
Ravindra B

Projects

Anindya Chowdhury
Pramod S R
Sudhakar Saridevi
Walmik Harishchandra Shelke

Taxation

Crisstina John Joseph
Lalit Kumar
Lata Vishnoi
Piyush Agarwal
Subhashini G N

OUR STRUCTURE

The foundation of transparency

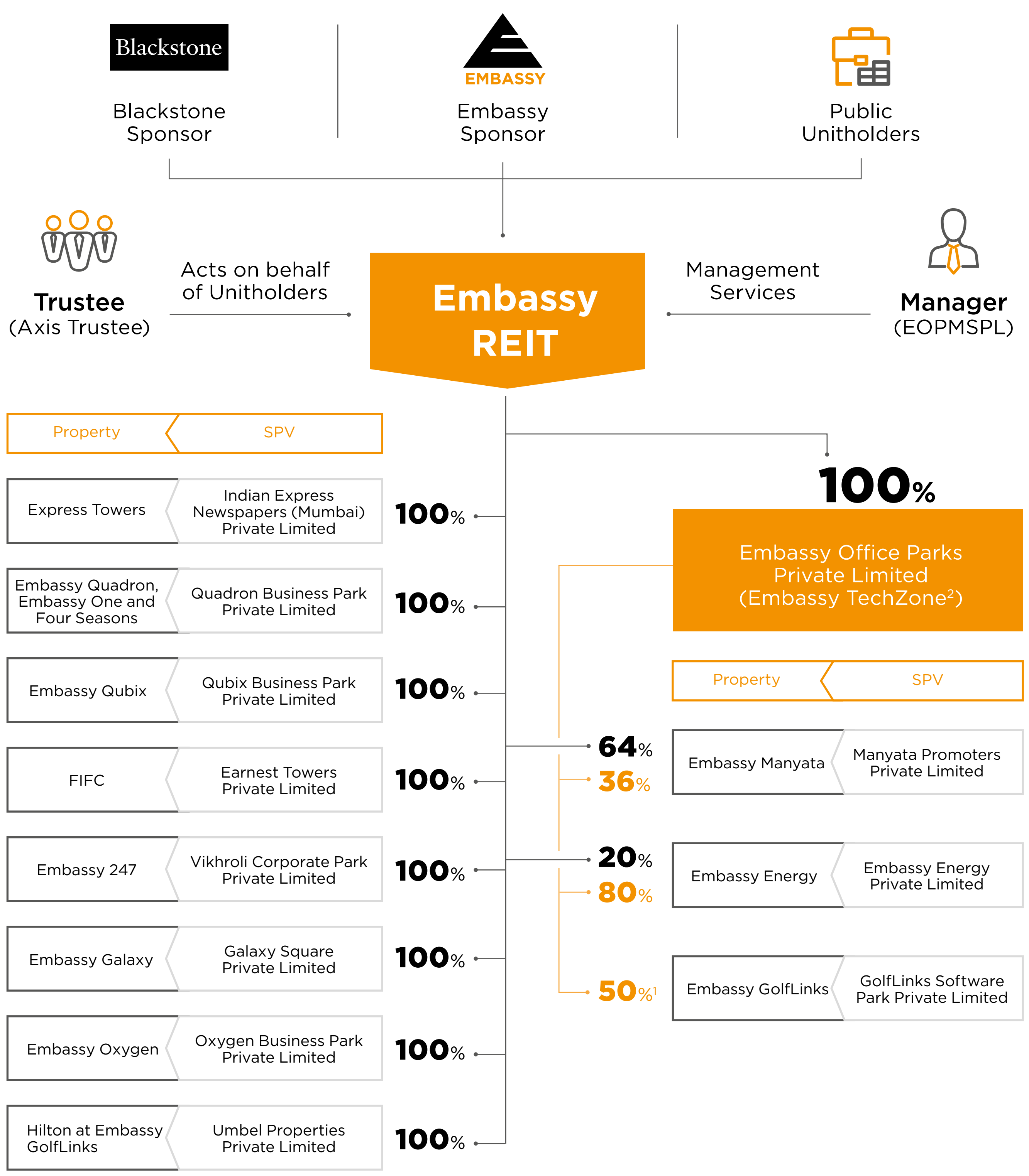
Embassy REIT was registered with SEBI on August 3, 2017 as a real estate investment trust under Regulation 3(1) of the REIT Regulations.

Axis Trustee Services Limited is the trustee on behalf of the Unitholders while Embassy Office Parks Management Services Private Limited (EOPMSPL) is the Manager of the Embassy REIT. EOPMSPL is jointly owned by the Embassy Sponsor and certain entities forming part of the Blackstone Sponsor Group.

The Embassy REIT was settled 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 March 30, 2017 and amended on September 11, 2018.

The following chart illustrates the relationship between the Embassy REIT, the Manager, the Trustee, the Sponsors, the Unitholders and the assets of the REIT.

Embassy REIT structure



Notes:
1 Balance 50% owned by JV partner
2 Does not include restructuring pursuant to the composite scheme of arrangement among Manyata Promoters Private Limited, Embassy Office Parks Private Limited, and Embassy Pune TechZone Private Limited

COMMERCIAL OFFICES

Embassy Manyata, Bengaluru

Embassy Manyata is our flagship asset. It is located in North Bengaluru, a prominent growth corridor, which connects the international airport to the city centre.

Key statistics

2006
Year of commencement

121.76 acres
Site area

14.8 msf
Leasable area

₹**150,106** mn
Market value

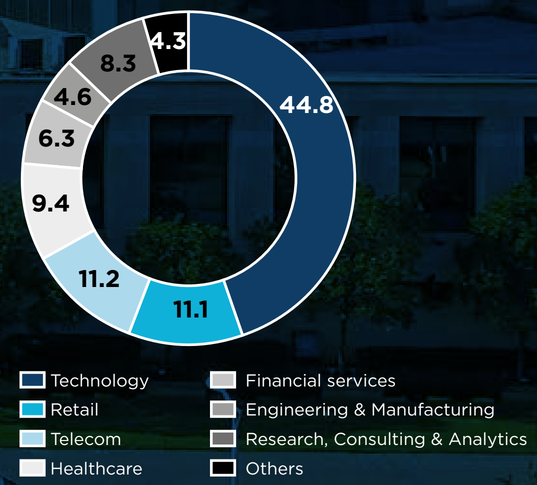
11.8 msf
Completed area

3.1 msf
Development area

97.7%
Occupancy

44
Occupiers

Occupier mix (%)



All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy GolfLinks, Bengaluru

Located in the heart of Bengaluru, Embassy GolfLinks is one of India's most recognised and awarded business parks.

Key statistics

2004
Year of commencement

37.11 acres
Site area

2.7 msf
Leasable area

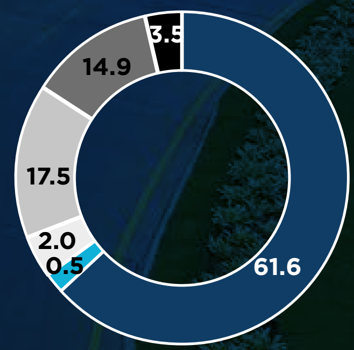
₹**27,014** mn
Market value

98.3%
Occupancy

18
Occupiers

Note: Details include 50% GLSP. Embassy REIT owns 50% economic interest in GLSP

Occupier mix (%)



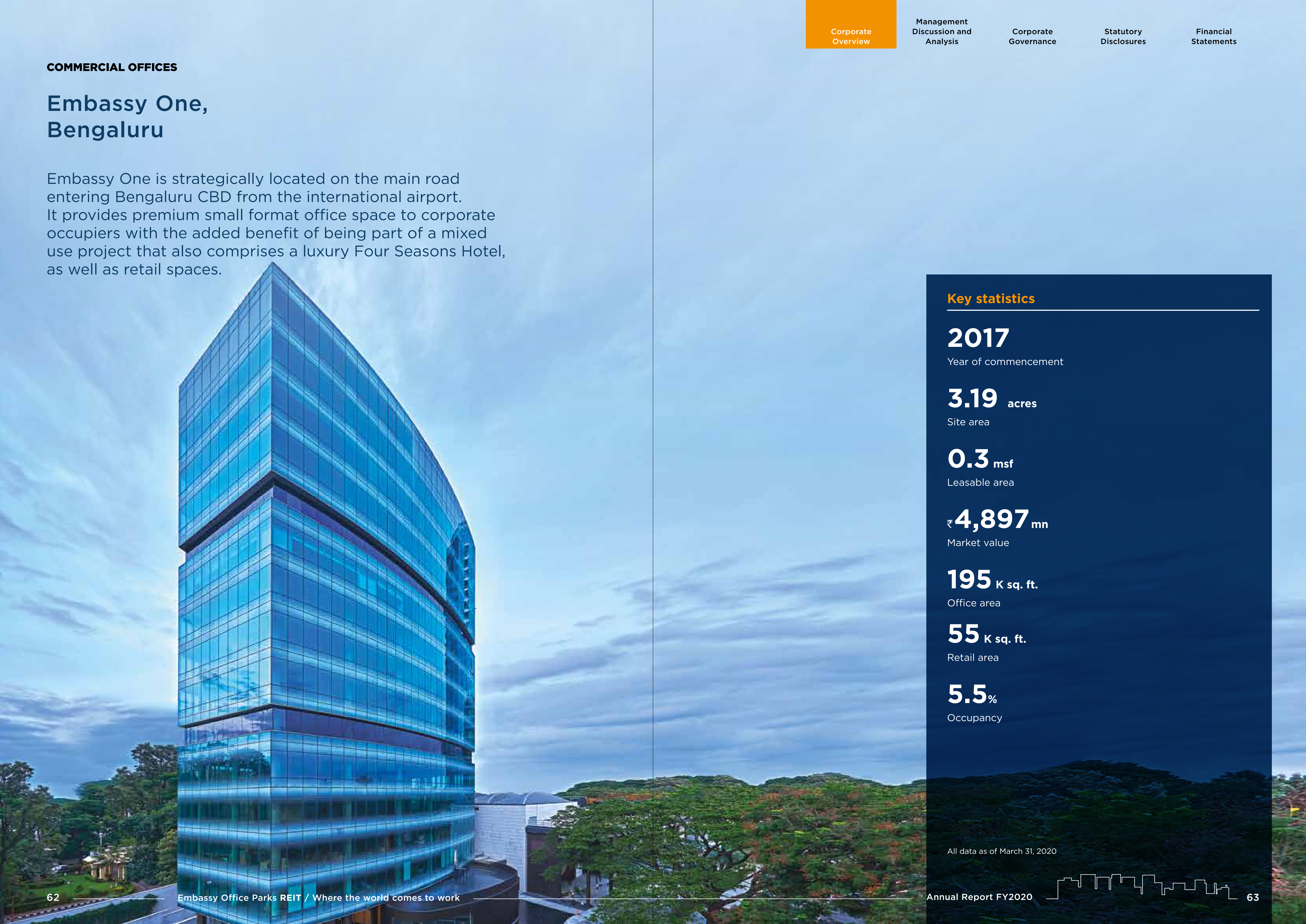
Technology
Retail
Healthcare
Financial services
Research, Consulting & Analytics
Others

All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy One, Bengaluru

Embassy One is strategically located on the main road entering Bengaluru CBD from the international airport. It provides premium small format office space to corporate occupiers with the added benefit of being part of a mixed use project that also comprises a luxury Four Seasons Hotel, as well as retail spaces.



Key statistics

2017
Year of commencement

3.19 acres
Site area

0.3 msf
Leasable area

₹**4,897** mn
Market value

195 K sq. ft.
Office area

55 K sq. ft.
Retail area

5.5%
Occupancy

All data as of March 31, 2020

COMMERCIAL OFFICES

Express Towers, Mumbai

Express Towers, located in Nariman Point (Mumbai's CBD), enjoys proximity to some of India's most exclusive residential neighbourhoods as well as the state administrative and legislative hubs, such as the Legislative Assembly and the High Court.

Key statistics

1970
Year of commencement

1.46 acres
Site area

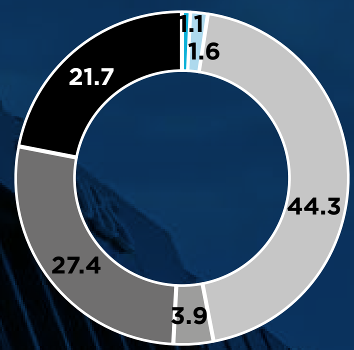
0.5 msf
Leasable area

₹17,866 mn
Market value

93.5%
Occupancy

28
Occupiers

Occupier mix (%)



All data as of March 31, 2020

COMMERCIAL OFFICES

First International Finance Centre (FIFC), Mumbai

FIFC is one of our premium office buildings and is located in the Bandra-Kurla Complex (BKC), arguably the financial centre of India's commercial capital.

Key statistics

2012
Year of commencement

1.99 acres
Site area

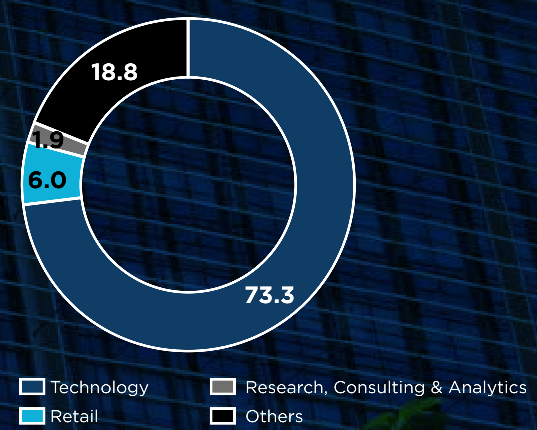
0.4 msf
Leasable area

₹13,911 mn
Market value

77.8%
Occupancy

6
Occupiers

Occupier mix (%)



All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy 247, Mumbai

Embassy 247 is located in Vikhroli between Mumbai's two major freeways – The Eastern Express Highway and The Western Express Highway.

Key statistics

2009
Year of commencement

7.27 acres
Site area

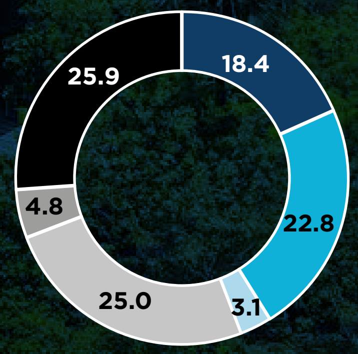
1.2 msf
Leasable area

₹16,624 mn
Market value

90.2%
Occupancy

20
Occupiers

Occupier mix (%)



All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy Qubix, Pune

Embassy Qubix is located in the submarket of West Pune, which offers excellent social and lifestyle infrastructure, various transportation links to both Mumbai and Pune Central Business District (CBD), and a large residential catchment that cater to the growing technology workforce.

Key statistics

2011
Year of commencement

25.16 acres
Site area

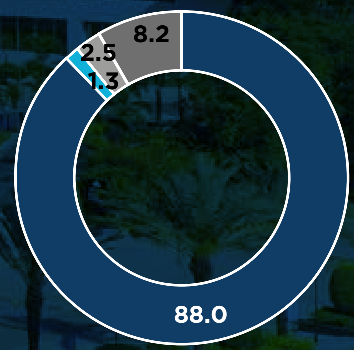
1.5 msf
Leasable area

₹10,085 mn
Market value

99.8%
Occupancy

27
Occupiers

Occupier mix (%)



All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy Quadron, Pune

Embassy Quadron is a complex that hosts a large hub of technology companies, and is among the most popular office locations in Pune. It is located in the West Pune submarket, which offers good transportation links to Mumbai and Central Pune and houses a large residential catchment.

Key statistics

2008
Year of commencement

25.52 acres
Site area

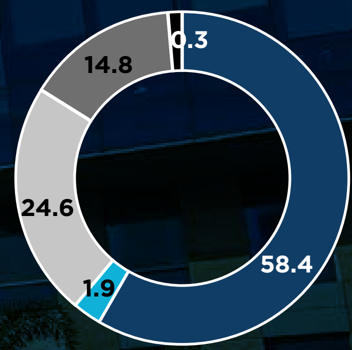
1.9 msf
Leasable area

₹13,838 mn
Market value

78.4%
Occupancy

4
Occupiers

Occupier mix (%)



Technology
Research, Consulting & Analytics
Retail
Others
Financial services

All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy TechZone, Pune

Located near the Mumbai-Pune Expressway, Embassy TechZone is a premium business park in its submarket, and is spread across a total area of 67.45 acres.

Key statistics

2008
Year of commencement

67.45 acres
Site area

5.5 msf
Leasable area

₹21,032mn
Market value

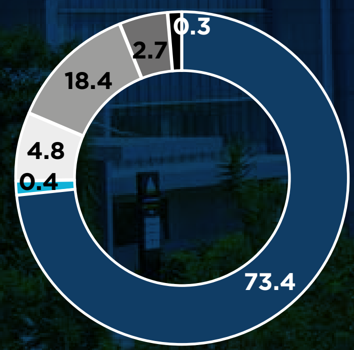
2.2 msf
Completed area

3.3 msf
Development area

93.9%
Occupancy

18
Occupiers

Occupier mix (%)



All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy Galaxy, Noida

Embassy Galaxy is located in the peripheral Noida submarket, which is a well-known technology hub due to its affordable rents, established connectivity and social infrastructure.

Key statistics

2007
Year of commencement

9.88 acres
Site area

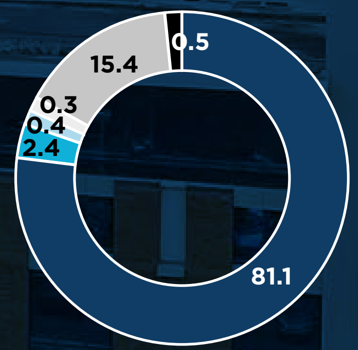
1.4 msf
Leasable area

₹8,696 mn
Market value

98.9%
Occupancy

7
Occupiers

Occupier mix (%)



All data as of March 31, 2020

COMMERCIAL OFFICES

Embassy Oxygen, Noida

Embassy Oxygen is located close to the Noida-Greater Noida Expressway, a major-six lane highway connecting Noida with Greater Noida.

Key statistics

2011
Year of commencement

24.83 acres
Site area

3.3 msf
Leasable area

₹21,416mn
Market value

2.5 msf
Completed area

0.7 msf
Development area

78.5%
Occupancy

7
Occupiers

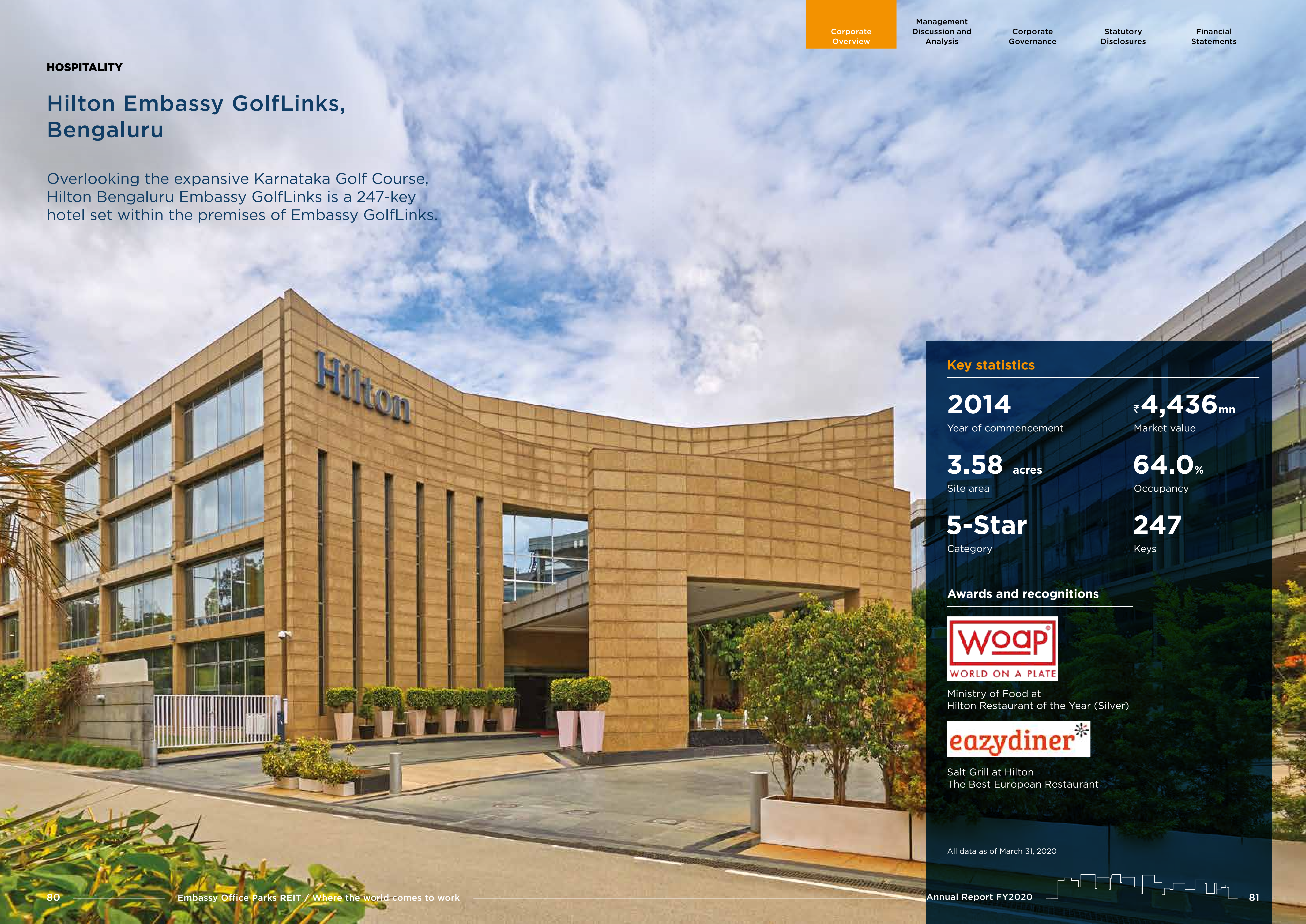
Occupier mix (%)

All data as of March 31, 2020

HOSPITALITY

Hilton Embassy GolfLinks, Bengaluru

Overlooking the expansive Karnataka Golf Course, Hilton Bengaluru Embassy GolfLinks is a 247-key hotel set within the premises of Embassy GolfLinks.



Key statistics

2014
Year of commencement

₹4,436mn
Market value

3.58 acres
Site area

64.0%
Occupancy

5-Star
Category

247
Keys

Awards and recognitions

WOAP WORLD ON A PLATE

Ministry of Food at
Hilton Restaurant of the Year (Silver)

eazydiner

Salt Grill at Hilton
The Best European Restaurant

All data as of March 31, 2020

HOSPITALITY

Four Seasons Bengaluru at Embassy One

The Four Seasons at Embassy One was launched in May 2019. It is the only luxury hotel situated on the Airport corridor, and is highly complementary to the small-format high end office premises within the same complex.

Key statistics

2019
Year of commencement

₹7,673mn
Market value

5-Star Luxury
Category

17.0%
Occupancy

230
Keys

Awards and recognitions

TRAVEL+ LEISURE
Four Seasons
Best New Business Hotel

eazydiner FOODIE AWARDS
CUR8 at Four Seasons
Best All-Day Dining Restaurant

All data as of March 31, 2020

HOSPITALITY

Hilton Hotels Embassy Manyata, Bengaluru

The Hiltons at Embassy Manyata will be a 619-key dual hotel set within the overall campus of Embassy Manyata. The complex will include 100k+ sf of Retail and convention centre, including flexible meeting space, a pillarless Ballroom of 14,000 sf and outdoor event space of 6,600 sf.

Key statistics

Hilton	Hilton Garden Inn
5-Star Category	**3-Star** Category
266 Keys	**353** Keys
₹2,378mn Market value	**₹1,422mn** Market value

Status: Under Construction
Expected completion: Jun'22
Retail & Convention Centre: 100k+ sf

All data as of March 31, 2020

OTHER ASSET

Embassy Energy, Bellary district, Karnataka

Embassy Energy is our 100 MW solar park, which is a source of green energy to our properties in Bengaluru. The plant has an electricity generation capacity of 215 mn units per annum and offsets up to 200 mn kg of CO_2 annually.

Key statistics

2018
Year of commencement

460 acres
Site area

100 mw
Capacity

₹ **10,289** mn
Market value

215 mn units
Annual capacity

All data as of March 31, 2020

Management Discussion and Analysis

Management Discussion and Analysis

The discussion and analysis of our financial condition and results of operations that follow are based on our Audited Consolidated Financial Statements of Embassy REIT and the REIT assets (together known as “Group”) for the year ended March 31, 2020 prepared in accordance with Indian Accounting Standards and applicable REIT regulations, whereas the comparative numbers for the year ended March 31, 2019 are based on Audited Combined Financial Statements prepared in accordance with Ind AS standard and applicable REIT regulations. Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22, 2019 to March 25, 2019. Accordingly, the comparative financial year financial information has been prepared by comparing audited combined financial statements for the financial year ended March 31, 2019 (assuming that the Embassy REIT held the REIT assets in its present form as of April 1, 2018). The financial information for year ended March included herein is being presented to provide a general overview of the Embassy REIT’s performance for financial year ended March 31, 2020 as compared, in the manner so determined , against the financial year ended March 31, 2019 on the basis of certain key financial metrics for general information purposes only and does not purport to present a comprehensive representation of the financial performance of the Embassy REIT for these periods. The Embassy REIT, the Trustee and the Manager make no representation, express or implied, as to the suitability or appropriateness of this comparative information to any investor or to any other person.

Some of the information contained in the following discussion(s), including information with respect to our plans and strategies, may contain forward-looking statements based on the currently held beliefs, opinions and assumptions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Embassy REIT or industry results, to differ materially from the results, financial condition, performance or

achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties, and other factors, including the impact of COVID-19 on us, our occupiers and the Indian and global economies, users are cautioned not to place undue reliance on these forward-looking statements. The Manager is not obligated to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words ‘may’, ‘will’, ‘should’, ‘expects’, ‘plans’, ‘intends’, ‘anticipates’, ‘believes’, ‘estimates’, ‘predicts’, ‘potential’ or ‘continue’ and similar expressions identify forward-looking statements. Please refer the disclaimer section at the end of the Annual Report for a discussion of the risks and uncertainties related to those statements. You should read this discussion in conjunction with our Consolidated Financial Statements that we include in this Annual Report and the accompanying notes to accounts.

Executive overview

Embassy REIT is India’s first publicly listed REIT. We listed on the Indian stock exchanges on April 1, 2019.

Embassy REIT comprises 26.2 msf of completed and operational commercial properties across India. With approximately 7.1 msf of on-campus development in the pipeline, the total portfolio spans 33.3 msf across seven Grade A office parks and four city-centre office buildings in India’s best performing office markets of Bengaluru, Mumbai, Pune and the National Capital Region (NCR).

The portfolio is home to over 160 blue chip corporate occupiers, and comprises 78 buildings with strategic amenities, including two completed hotels, two under-construction hotels, and a 100MW (AC) solar park that supplies renewable energy to park occupiers.

Our competitive strengths include:

- We own best-in-class office properties that are complemented by high quality infrastructure
- Our office spaces are occupied by a diversified, high quality, multinational occupier base
- We run a simple business with embedded growth levers
- Our assets are strategically located in the top-performing markets with high barriers to entry
- We have a highly experienced management team
- We are backed by renowned sponsors who bring global expertise and local knowledge to our operations.

We aim to maximise total returns for Unitholders by targeting growth in distributions and in Net Asset Value (NAV) per unit. To achieve this objective, we execute business and growth strategies that capitalise on our portfolio’s embedded organic growth levers, deliver new on-campus development, undertake value accretive acquisitions, prudently manage our capital and balance sheet and pay distributions to Unitholders.

92.8%

Occupancy across the portfolio as of March 31, 2020

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Current business environment

The outbreak of COVID-19 and its rapid spread across the globe has disrupted economies worldwide, in addition to extracting a heavy toll on human lives and global healthcare systems.

In India, COVID-19 started to emerge as a potentially significant business disruptor in late February. We entered this crisis in a position of great strength, the result of several years of prudent and proactive management of the business. Our strong balance sheet, ample liquidity, the long-term lease contracts with our 160+ corporate office occupiers, the strong relationships and trust we have built with them over the years and our first class on-ground operations teams across the country all contribute to the resilience of our platform, and surely that resilience will be required over the coming year.

Since the outbreak and subsequent lockdown by the government, our focus has been to facilitate business continuity for our occupiers operating critical services from our parks and ensuring the health, safety, and well-being of all our stakeholders. Our parks remained open for business to support core business functions of our occupiers throughout the national lockdown within the parameters laid out by the Central Government and the multiple States in which we operate.

Real Estate is not immune to the COVID-19 impact. We are in early stages of this global business disruption and there is a great deal of uncertainty, many views and speculative comments about the potential impact of issues such as social distancing, work from home, workplace de-densification, business travel reductions, liquidity squeeze, and so on. In addition, we are still operating in a restricted environment today, and it is difficult to estimate with a reasonable level of certainty as to how long the current challenges will persist. However, amid this uncertainty, we have a positive view on a number of areas:

Firstly, it is clear that a significant reduction in the densities of the workplace is coming, given increased priority to employee wellness, and this will drive demand. Some of this de-densification, but certainly not all, will be offset by more flexible work styles including work from home. The work from home experiment in India has delivered in this crisis but our recent interactions with many corporate occupiers leads us to a preliminary assessment that while the industry may see more flexibility in employee work styles, the total business environment which Embassy REIT provides to its occupiers and their employees cannot, in India, be fully replaced by solitary work from home changes.

Our assessment is that workspaces will, more than ever, be the venue for building Company culture, collaboration, training, and teamwork. The workplace for the young Indian workforce provides a social, professional and community space as well as the necessary infrastructure and productive environment which is so often lacking at home. We are not alone in our view that we will see demand shifting to higher quality, lower density workspaces in the coming years. This aligns well with our overall product offering and strategy – the total business ecosystem.

Secondly, it is clear that a sector which is shining in the COVID-19 world is technology – as a facilitator of new lifestyles – and, as we have highlighted in the past, our existing portfolio continues to be around 50% technology occupier focused. We have a positive bias to India's leading tech city, Bengaluru, further enhancing the resilience of our business in times such as today. We underline our previously articulated message – we have a bias to the right sector, the right product, and the right markets in India.

A third point of certainty is that our business is focused on delivering best-in-class office premises and amenities to the best corporations globally and in India, that we entered this phase with record office demand and low vacancies, and we foresee a dramatic tightening of new supply. Our core customer base operates here in India because this remains the global hub for technology talent. This, and the fact that India continues to have a significant employee cost advantage and affordable rentals, has not changed. In fact, again, technology has become even more important to the functioning of the global economy and consequently, many technology companies are prospering in this environment.

Over the coming months, as we start to emerge from this pandemic, we will see how these things play out. Over the medium-term though, we do believe that this phase will result in continued consolidation in the Indian office market, considerable reduction in annual supply and a higher market share for high-quality institutional landlords in India such as Embassy REIT.

Factors affecting our financial condition and results of operations

Our financial performance and results of operations are affected by several factors as follows:

- **Commercial Real Estate Market -** We depend on the performance of the commercial real estate market in the cities where our office parks and commercial offices are located. The commercial real estate market in these cities, in turn, depends upon various factors such as economic and other market conditions demographic trends, employment levels, availability of financing, prevailing interest rates, competition, bargaining power of occupiers, operating costs, government regulations and policies, and market sentiment. Our office parks and office buildings are located in the key markets of Bengaluru, Mumbai, Pune and Noida. These markets have historically exhibited strong market dynamics with robust absorption and low new office supply resulting in high rent growth and low vacancy on average.

  Within these cities, our business significantly depends on the performance of the submarkets where the Portfolio assets are located. The Portfolio assets are strategically located within their respective markets, which has allowed us to attract, retain and grow key occupiers within our office parks and commercial office buildings.
- **Industry sector of occupiers -** Our business also depends on the performance of the industry sectors of our occupiers. Sectors such as technology, banking, financial services, and insurance, engineering, and manufacturing drive commercial leasing activity in India. Additionally, new sectors such as research and analytics, consulting, e-commerce and mobile application-based service providers have also emerged as key drivers of office real estate demand, as companies in these sectors have been increasingly expanding or setting-up operations in India.

  The technology sector contributes a majority of our revenues and accounts for 50% of our Gross Rentals as of March 31, 2020. Further, for some of our assets in the Portfolio, the terms of the governmental permissions require us to lease either all or a significant portion of the property to occupiers from the technology sector. As a result of our significant portfolio of occupiers in the technology sector, the business conditions for our occupiers in this sector have had and are likely to continue to have a material impact on our results of operations.

  Further, 78% of our Gross Rentals as of March 31, 2020 are contracted with leading multinational corporations. Accordingly, global factors impacting their business may impact their ability to service their lease agreements or expand the office space that they have leased in the Portfolio assets.
- **Occupancy rates -** The success of our business depends on our ability to maintain high occupancy at the Portfolio. Our Same Store Occupancy across the Portfolio as of March 31, 2020 was 94.5% considering March 2019 as the base year and our occupancy was 92.8% including the new completions during FY2020. Occupancy rates largely depend on the attractiveness of the markets and submarkets in which the Portfolio assets are located, rents relative to competing properties, the supply of and demand for comparable properties, the facilities and amenities offered, the ability to minimise the intervals between lease expiries (or terminations) and our ability to enter into new leases (including

pre-leases for under-construction properties or properties where leases are expiring).

We believe that our strategically located assets in attractive submarkets allow us to maintain high levels of occupancy. Further, we believe that replicating such a platform is difficult given land acquisition complexities and long development timelines in India. We believe that we enjoy greater credibility with our occupiers as a result of our reputation, scale of operations and the amenities and infrastructure that we provide, which generally allows our assets to be viewed as premium properties, thereby enhancing the portfolio's appeal to occupiers, which has resulted in high occupancy rates.

- **Lease expiries -** We typically enter into long-term leases with our occupiers, which provides us with a steady source of rental income. The tenure of leases for our office parks are typically 9-15 years (assuming successive renewals at our occupiers' option), with a three to five-year initial commitment period, and contractual escalations of 10%-15% every three years. For our city center office buildings, the lease tenure is typically five to nine years with a three to five-year initial commitment period and contractual escalations of 15% every three years.

  We endeavour to foster and maintain strong relationships with our occupiers. We regularly communicate with the corporate real estate heads of our occupiers through a dedicated customer relationship management programme which ensures we anticipate and cater to occupier needs. Further, at some of our Portfolio assets, we have implemented various energy efficiency and sustainability initiatives, which helps to attract occupiers. However, in cases where occupiers do not renew leases or terminate leases earlier than expected, it generally takes some time to find new occupiers which can lead to periods where we have vacant areas within the Portfolio assets that do not generate facility rentals.

- **Rental rates -** Our rental income primarily comprises facility rentals and income from maintenance services that we provide to our occupiers at some of the Portfolio assets (Express Towers, Embassy 247, Embassy Oxygen, Embassy Galaxy, Embassy One, Embassy Quadron, FIFC and Embassy Qubix). Accordingly, our revenue from operations is directly affected by the lease rental rates of the Portfolio assets which are, in turn, affected by various factors like prevailing economic, income and demographic conditions in the submarket, prevailing rental levels in the submarket, amenities and facilities provided, property maintenance, government policies and competition.

- **Escalations -** Our existing lease agreements typically have built-in rent escalations, which have led to growth in our revenues in prior years and we expect it will help us generate stable and predictable growth in our revenue from operations. Our leases typically have contractual escalations in the range of 10% to 15% every three to five years. Further, due to the tenure of our existing leases and growth in the market rents of our Portfolio, our average in-place rents are significantly below current market rents. We believe that this presents us with a rental growth opportunity by releasing the same space at higher rentals, given the demand for office real estate in respective submarkets coupled with our low vacancy levels. This allows us to be well-positioned to capitalise on our Grade A office portfolio by realising the embedded rental growth within our office parks.

- **Development timeline and costs -** As of March 31, 2020, we had 2.6 msf of Under Construction Area and 4.5 msf of Proposed Development Area. The timely development of our pipeline is expected to positively impact our financial performance. We typically commence construction based on our pre-leasing arrangements and an assessment of upcoming supply and recent absorption trends as well as various other micro and macro factors impacting the demand for our assets. We also construct office space on a 'built-to-suit' basis, taking into account the specific requirements of our occupiers. This enhances our ability to develop and maintain long-term relationships with our occupiers. A development's timeline will vary depending on factors such as size, complexity, and occupier specifications.

  Construction progress depends on various factors, including business plans, the availability of financing, labour and raw materials, the receipt of regulatory clearances, access to utilities such as electricity and water, the operating and financial condition of the construction companies we use in our business, and other contingencies such as adverse weather conditions.

  We capitalise our construction and borrowing costs in relation to our under-construction properties and capitalise brokerage costs in respect of our investment properties. These costs are depreciated based on the straight-line method over their estimated useful lives. When construction is completed, borrowing costs are charged to our statement of profit and loss as finance costs, causing an increase in expenses.

- **Cost of financing -** Our finance costs primarily comprise interest expense on our non-convertible debentures and borrowings from banks and financial institutions. Our ability to obtain financing, as well as the cost of such financing, affects our business. Though we believe we are able to obtain funding at competitive interest rates, the cost of financing is material for us, as we require significant capital to develop our projects.

- **Government regulations and policies including taxes and duties -** The real estate sector in India is highly regulated and there are a number of laws and regulations that apply to our business. Regulations applicable to our business include those related to land acquisition, funding sources, the ratio of built-up area to land area, land usage, the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. We strive to continuously maintain compliance with these regulations and incur various costs in the process, including fees to government authorities, fees to lawyers and consultants, property tax, other rates, and taxes. In addition, some of our Portfolio assets are located on land notified as part of SEZs and may benefit from tax holidays attributable to SEZs.

- **Competition -** We operate in competitive markets for the acquisition, ownership, and leasing of commercial real estate. We compete for occupiers with numerous real estate owners and operators who own properties similar to our own in these markets. Among the factors influencing leasing competition are location, rental rates, building quality and levels of services provided to occupiers.

  Competition from other developers in India may adversely affect our ability to sell or lease our projects, and continued development by other market participants could result in saturation of the real estate market which could adversely impact our revenues from commercial operations. Increasing competition could result in price and supply volatility, which could materially and adversely affect our results of operations and cause our business to suffer.

- **Future acquisitions -** We intend to selectively acquire from the Embassy Sponsor or third parties commercial real estate assets that meet our investment criteria. Each new acquisition that we complete may materially affect our overall results of operations and financial position. In addition, our acquisition strategy may require a significant amount of working capital and long-term funding. Our ability to acquire

properties will depend on our ability to secure financing comprising both debt and equity on commercially viable terms, which will in part be affected by the prevailing interest rates and the REIT's unit price at the time of acquisition.

- **Operating and maintenance expenses -** Our operating and maintenance expenses primarily consist of repair and maintenance (of buildings, common areas, machinery, and others), power and fuel expenses, property management fees and expenses related to housekeeping and security services. Factors which impact our ability to control these operating expenses include (but are not limited to) asset occupancy levels, fuel prices, general cost inflation, periodic renovation, refurbishment, and other costs related to re-leasing.

  For some of the Portfolio assets (Express Towers, Embassy 247, Embassy Oxygen, Embassy Galaxy, Embassy One, Embassy Quadron, FIFC, and Embassy Qubix), we provide common area maintenance ("CAM") services to our occupiers, for which we derive income from maintenance services (which include a margin on the expenses incurred for providing such services). For our other Portfolio assets, CAM services are provided by external facility managers that either (i) recover the CAM charges directly from the occupier in case of occupied areas or (ii) recover the CAM charges from the respective Asset SPVs in case of vacant areas.

  Cost increases as a result of any of the foregoing may adversely affect our profitability, margins and cash flows. Circumstances such as a decline in market rent or pre-term lease cancellation may cause revenue to decrease, although the expenses of owning and operating a property may not decline in line with the decrease in revenue. While certain expenses may vary with occupancy, operating and maintenance expenses such as those relating to general maintenance, housekeeping and security services may not decline even if a property is not fully occupied.

₹16,690 million
Facility rentals

₹1,777 million
Income from maintenance services

Basis of preparation of consolidated financial statements

The Consolidated Financial Statements of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Consolidated Statement of Net Assets at fair value as on March 31, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Unitholders' Equity, the Statement of Net Distributable Cash flows of Embassy REIT and each of the SPVs, the Consolidated Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2020. The Consolidated Financial Statements were approved for issue in accordance with the resolution passed by the Board of Directors of the Manager on behalf of the Trust on May 19, 2020. The Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular"); Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with the SEBI Circular.

It is to be noted that Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22, 2019 and March 25, 2019. The information for the financial year ended March 2019 presented in this Section is derived from the audited combined financial statements, and the information for the financial year ended March 2020 is derived from the consolidated audited financial statements of the Embassy REIT.

Summary of significant accounting policies

- **New and amended standards (Ind AS 116 Leases):** Embassy Office Parks Group applied Indian Account Standards 116 Leases for the first time. Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

  Effective April 1, 2019, the Embassy Office Parks Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 1, 2019. The right of use asset and lease liability has been recognised on the date of initial application i.e. April 1, 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

- **Use of judgement and estimates:** The preparation of Condensed Consolidated Financial Statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

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

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

  1. Business combinations and impairment of goodwill and intangible assets
  2. Classification of lease arrangements as finance lease or operating lease
  3. Classification of assets as investment property or as property, plant and equipment
  4. Significant judgement involved in the purchase price allocation of the assets acquired and liabilities assumed on account of Business Combination and deferred tax accounting on the resultant fair value accounting
  5. Classification of Unitholders' funds

     Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the year ended March 31, 2020 is included in the following notes:

     i. Determining fair value of Investment Properties and Property, Plant and Equipment - The fair value of investment properties and property, plant and equipment are reviewed regularly by the management with reference to independent property valuations and market conditions on half yearly basis. The independent valuers are independent appraisers with recognised and relevant professional qualifications and with recent experience in the location and category of the investment property being valued. Judgement is also applied in determining the extent and frequency of independent appraisals.
     ii. Useful lives of Investment Property and Property, Plant and Equipment
     iii. Valuation of financial instruments
     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. Further, significant judgements are involved in determining the provision for income taxes, including recognition of minimum alternate tax credit, in SPVs

₹647 million
Revenue from room rentals

₹392 million
Revenue from sale of food and beverages

₹1,566 million
Income from generation of renewable income

entitled for tax deduction under Section 80IAB of the Income Tax Act, 1961, wherein the tax deduction is dependent upon necessary details available for exempt and non-exempt income.

v. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of goodwill, investment property (including under development), property, plant and equipment, capital work-in-progress, equity accounted investee, intangible assets and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as on the date of approval of these financial statements, has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as on March 31, 2020 will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as on the date of approval of these consolidated financial statements.

Profit and Loss Statement Analysis

Overview:-

Particulars	FY2020 (Consolidated)	%	FY2019 (Combined)	%
Revenue from operations	21,449.22	100%	18,770.81	100%
Interest income	477.35	2%	1,218.87	6%
Other income	513.00	2%	320.40	2%
Expenses				
Cost of materials consumed	118.94	1%	58.19	0%
Employee benefits expense	377.17	2%	206.31	1%
Operating and maintenance expenses	627.46	3%	717.12	4%
Repairs and maintenance	1,215.38	6%	1,256.58	7%
Valuation expenses	9.74	0%	-	0%
Insurance expenses	66.74	0%	56.37	0%
Investment management fees	700.94	3%	402.86	2%
Trustee fees	2.96	0%	-	0%
Legal and professional fees	427.14	2%	451.22	2%
Other expenses	1,246.33	6%	2,024.87	11%
Earnings/(loss) before finance costs, depreciation, amortisation, impairment loss and tax	**17,646.77**	**82%**	**15,136.56**	**81%**
Finance costs	3,803.54	18%	7,059.81	38%
Depreciation and amortisation expense	5,281.24	25%	3,563.19	19%
Impairment loss	1,775.98	8%	-	0%
Profit/(loss) before share of profit of equity accounted investee and tax	**6,786.01**	**32%**	**4,513.56**	**24%**
Share of profit after tax of equity accounted investee	1,169.33	5%	1,151.53	6%
Profit/(loss) before tax	**7,955.34**	**37%**	**5,665.09**	**30%**
Tax Expense	300.00	1%	2,011.80	11%
Profit/(loss) for the year	**7,655.34**	**36%**	**3,653.29**	**19%**
Remeasurements of defined benefit liability, net of tax	0.16	0%	0.51	0%
Total comprehensive income/(loss) attributable to Unitholders for the year	**7,655.50**	**36%**	**3,653.80**	**19%**

Revenue from Operations

Particulars	For the year ended March 31, 2020 (₹ in million)	For the year ended March 31, 2019 (₹ in million)	% Change
Facility rentals	16,689.99	14,795.15	12.81%
Maintenance services	1,777.43	1,640.07	8.38%
Income from finance lease	2.28	55.05	(95.86)%
Room rentals	647.40	548.00	18.14%
Sale of food and beverages	391.89	217.93	79.82%
Income from generation of renewable energy	1,566.25	1,386.16	12.99%
Other operating income			
- hospitality	103.40	82.51	25.32%
- others	270.58	45.94	488.99%
	21,449.22	**18,770.81**	**14.27%**

Our profit for the period ending FY2020 was ₹ 7,665.50 million, an increase of ₹ 4,001.70 million, or 110%, compared to ₹ 3,653.80 million in FY2019.

Our revenue from operations comprises the following sources:

Facility rentals

Revenue from facility rentals comprises the base rental from our properties, car parking income, fit-out rentals and other rentals, as discussed below:

- Base rentals: Base rentals comprises rental income earned from the leasing of our assets;
- Car parking income: Car parking income comprises revenue earned from the operations of the parking facilities located at our properties; and
- Fit-out rentals: For some of our occupiers, we provide customised alterations and enhancements as per the occupiers' requirements (as opposed to warm shell premises that contain only minimally furnished interiors). For such properties, we recover the value of the fit-outs provided through fit-out rentals.

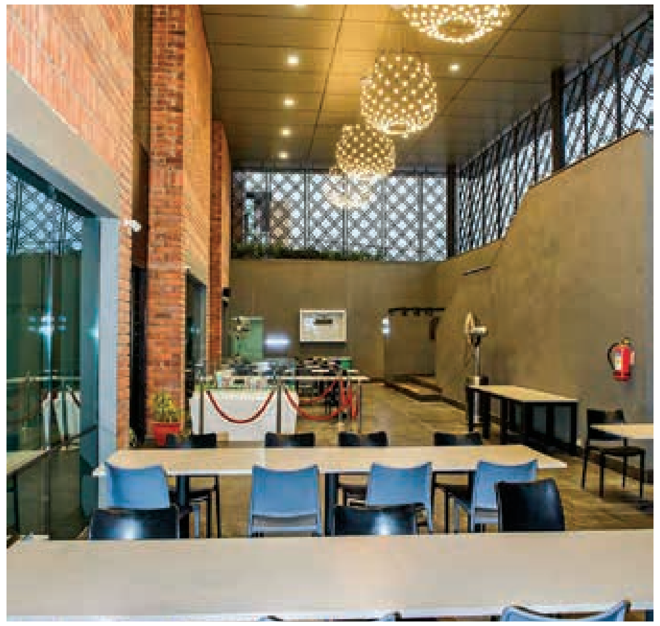
Facility Rentals for the portfolio increased by ₹1,894.84 million or 12.81%, from ₹14,795.15 in FY2019 to ₹16,689.99 in FY2020, primarily due to:-

- Contracted revenue:- Contracted lease escalation on c.8.8 msf
- Lease up and mark-to-market (MTM):-
  - Lease up of c.2.4 msf across Embassy Manyata, FIFC, Embassy 247, Embassy TechZone and others
  - MTM on c.1.1 msf of ultimate lease expiries at Embassy Manyata, Embassy 247 and others
- New Development:- Lease-up of c.0.5 msf Tower 3 at Embassy Oxygen

Asset	Amount	% of total movement
Year ended March 31, 2019	14,795.15	
Bifurcation of change:		
Contracted Revenue	445.14	23%
Lease-up, Vacancy & MTM	1,161.78	61%
New Development	140.23	7%
Others	147.68	8%
Year ended March 31, 2020	16,689.99	

Maintenance services

Income from maintenance services consists of the revenue that we receive from our occupiers for the Common Area Maintenance (CAM) services that we provide at the following Portfolio assets: Express Towers, Embassy 247, FIFC, Embassy Oxygen, Embassy Galaxy, Embassy One, Embassy Quadron and Embassy Qubix.



Income from maintenance services is generally a function of our maintenance expenses at the above Portfolio assets, with a change in maintenance expenses resulting in a corresponding change in maintenance service income along with the impact of lease up of vacant area at our properties.

Income from maintenance services for the portfolio increased by ₹137.36 million or 8.38%, from ₹1,640.07 in FY2019 to ₹1,777.43 in FY2020, primarily due to lease up of vacant spaces and new development as mentioned above.

Income from finance lease

Income from finance leases comprise income from fit-out rentals where such leases are classified as finance leases. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer to the lessee.

Income from finance lease decreased from ₹55.05 million in FY2019 to ₹2.28 million in FY2020 on account of completion of fit-out tenure for a substantial portion of such leases.

Revenue from room rentals

Revenue from room rentals comprises revenue generated by letting out hotel rooms at the Hilton @ Embassy GolfLinks and Four Seasons Hotel.

Revenue from room rentals increased by ₹99.40 million or 18.14%, from ₹548 million in FY2019 to ₹647.40 million in FY2020, primarily due to launch of 230 key Four Seasons Hotel in May 2019.

Sale of food and beverages

Sale of food and beverages comprises income from the sale of food and beverages at the Hilton @ Embassy GolfLinks and the Four Seasons Hotel.

Revenue from sale of food and beverages increased by ₹173.96 million or 79.82%, from ₹217.93 million in FY2019 to ₹391.89 million in FY2020, owing to start of operations of the Four Seasons Hotel from May'19.

	Hilton @ Embassy GolfLinks		Four Seasons @ Embassy One	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Keys	247	247	230	NA
Rooms Available	90,402	90,155	77,280	NA
Rooms Sold	57,545	62,501	13,243	NA
Average Occupancy	64%	69%	17%	NA
Average Daily Rate (₹)	9,509	9,378	10,238	NA
Revenue Per Available Room (₹)	6,053	6,501	NM	NA
Total Revenue (₹ million)	826	848	348	NA
GOP Margin	38%	38%	NM	NA

Income from generation of renewable energy

The solar plant at Embassy Energy is situated in the Bellary district of Karnataka. It commenced its power generation in March 2018.

Income from generation of renewable energy increased by ₹180.09 million or 12.99% from ₹1,386.16 million in FY2019 to ₹1,566.25 million in FY2020, owing to 8% increase in units generated and sold and also due to change in mix of industrial and commercial tariffs achieved as compared to the previous year.

	31-Mar-20	31-Mar-19
Capacity (MW)	100	100
Solar Units Generated (mn units)	186	175
Solar Units Consumed (mn units)	184	175
Average Blended Tariff (₹ per unit)	8.7	8.1

Other operating income

Other operating income primarily includes revenue from ancillary operating departments (such as laundry, business centre, telephone, travel desk and rental income from the spa) at Hilton @ Embassy GolfLinks and the Four Seasons Hotel and other operating income (primarily from events and other ancillary services at the integrated office parks and city centre office buildings).

Other operating income increased by ₹ 20.89 million due to start of operations at Four Seasons Hotel and by ₹224.64 million majorly due to rental compensation income received for under-construction M3 Block A as per terms of the agreement.

Property-wise revenue from operations

Property wise rental income and other operating income for each of the properties forming part of the Portfolio, as set forth in the below table:

Asset SPV	Property Name	Location	For the year ended March 31, 2020		For the year ended March 31, 2019	
			Revenue from operations	% of total revenue from operations	Revenue from operations	% of total revenue from operations
EOPPL	Embassy TechZone	Pune	1,497.83	7%	1,049.70	6%
MPPL	Embassy Manyata	Bengaluru	8,794.81	41%	8,142.15	43%
EEPL	Embassy Energy	Bellary	1,566.25	7%	1,386.16	7%
UPPL	Hilton@ Embassy GolfLinks	Bengaluru	825.62	4%	848.44	5%
ETPL	FIFC	Mumbai	925.64	4%	462.59	2%
GSPL	Embassy Galaxy	Noida	870.47	4%	860.63	5%
IENMPL	Express Towers	Mumbai	1,490.06	7%	1,461.82	8%
OBPPL	Embassy Oxygen	Noida	1,379.28	6%	1,210.89	6%
QBPL	Embassy Quadron	Pune	1,440.50	7%	1,444.58	8%
QBPL	Hotel, Retail and Office at Embassy One	Bengaluru	379.28	2%	-	-
QBPPL	Embassy Qubix	Pune	904.16	4%	866.46	5%
VCPPL	Embassy 247	Mumbai	1,375.32	6%	1,037.41	6%
			21,449.22	**100%**	**18,770.81**	**100%**

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Interest income

Interest comprises the following sources: interest income on (i) debentures; (ii) inter-corporate deposits; (iii) fixed deposits with banks; (iv) security deposits; (v) loan to others; (vi) other statutory deposits; (vii) income-tax refunds, and (viii) others;

Interest income for FY2020 was ₹ 477.35 million, a decrease of ₹741.52 million or 60.84% due to settlement of all related party inter-corporate deposits prior to March 31, 2019.

Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	% Change
Net changes in fair value of financial assets	18.45	74.32	(75%)
Liabilities no longer required written back	13.29	43.95	(70%)
Profit on sale of mutual funds	359.96	150.56	139%
Miscellaneous	121.30	51.57	135%
	513.00	**320.40**	**60.11%**

The increase is mainly on account of profit on sale of investments in mutual funds as well as change in fair value of financial assets due to our treasury operations during the year.

Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	% Change
Cost of materials consumed	118.94	58.19	104.40%
Employee benefits expense	377.17	206.31	82.82%
Operating and maintenance expenses	627.46	717.12	(12.50%)
Repairs and maintenance	1,215.38	1,256.58	(3.27%)
Valuation expenses	9.74	-	-
Insurance expenses	66.74	56.37	18.40%
Investment management fees	700.94	402.86	73.99%
Trustee fees	2.96	-	-
Legal and professional fees	427.14	451.22	(5.34%)
Other expenses	1,246.33	2,024.87	(38.45%)
	4,792.80	**5,173.52**	**(7.36%)**

Expenses comprises of the following: -

Cost of materials consumed

Cost of materials consumed includes cost of materials consumed at the Hilton @ Embassy GolfLinks and the Four Seasons Hotel primarily towards the provision of food and beverage services to the guests at the hotel.

Cost of materials consumed for FY2020 was ₹ 118.94 million, an increase of ₹ 60.75 million, or 104.40%, compared to ₹ 58.19 million in FY2019 due to start of operations at the Four Seasons Hotel.

Employee benefits expense

Employee benefits expenses primarily include salaries and wages, contribution to provident and other funds and staff welfare expenses in relation to the Hospitality operations at the Hilton @ Embassy GolfLinks and the Four Seasons Hotel.

Employee benefits expense for FY2020 was ₹377.17 million, an increase of ₹170.86 million or 82.82% as compared to ₹206.31 million for FY2019. The increase is on account of employee costs incurred at the Four Seasons Hotel.

Operating and maintenance expenses

Operating and maintenance expenses include power and fuel expenses and operating consumables.

Operating and maintenance expenses for FY2020 was ₹627.46 million, a decrease of ₹89.66 million or 12.50% as compared to ₹717.12 million for FY2019. The reduction in expenses is primarily on account of operationalisation of the 220 KVA sub-station at Embassy Manyata.

Repairs and maintenance

Repairs and maintenance expenses include repairs towards common area maintenance, buildings, machinery, and others.

Repair and maintenance expenses for FY2020 was ₹1,215.38 million, a decrease of ₹41.20 million or 3.27% as compared to ₹1,256.58 million for FY2019. The previous year expense included lobby refurbishment works, remedial works, painting works at Embassy 247 Park, FIFC and Embassy Quadron, partially offset by increase in maintenance cost at Embassy Energy during FY2020.

Insurance

Insurance expenses for FY2020 was ₹66.74 million, an increase of ₹10.37 million or 18.40% as compared to ₹56.37 million for FY2019. The increase is majorly on account of increase in premium paid due to enhancement of sum insured and increased scope across entities and for new development in Oxygen.

Investment management fees

This includes the Property Management Fees, REIT management fees and Secondment Fees.

- **Property Management Fees -** Pursuant to the Investment Management Agreement dated June 12, 2017 as amended, Investment Manager is entitled to fees @ 3% of the collection of Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees have been determined to meet the ongoing costs of the Investment Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the year ended March 31, 2020 amounts to ₹ 486.13 million. In the previous year, not all the entities under REIT were subject to the property management fees and hence the increase in expense in the current year.

- **REIT Management Fees -** Pursuant to the Investment Management Agreement dated June 12, 2017, as amended, Investment Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees have been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the year ended March 31, 2020 amounts to ₹ 214.81 million (March 31, 2019: ₹ Nil).

Legal and professional fees

legal and professional fees for FY2020 was ₹427.14 million, a decrease of ₹24.08 million or 5.34% as compared to ₹451.22 million for FY2019. The reduction in expenses is on account of one-time listing related expenses incurred for FY2019.

Other expenses

Other expenses for FY2020 was ₹1,246.33 million, a decrease of ₹778.55 million or 38.45% as compared to ₹2,024.87 million for FY2019. This is majorly due to a non-cash loss on settlement of a financial liability through issue of equity instrument at Hilton @ Embassy GolfLinks and one-off property tax payment at Embassy Manyata.

Earnings/(loss) before finance costs, depreciation, amortisation, impairment loss and tax

As a result of the foregoing, our profit before finance costs, depreciation, amortisation, impairment loss and tax for FY2020 was ₹ 17,646.77 million, an increase of ₹ 2,510.21 million or 16.58%, compared to ₹ 15,136.56 million in FY2019.

Finance costs

We capitalise our borrowings costs in relation to our under-construction properties. When construction is completed, the interest cost is charged to our statement of profit and loss, causing an increase in our finance costs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	% Change
Interest expense			
- on borrowings from banks and financial institutions	310.15	5,083.56	(94%)
- on deferred payment liability	840.19	894.01	(6%)
- on lease deposits	312.09	341.37	(9%)
- on lease liabilities	31.20	-	100%
- accrual of premium on redemption of debentures	2,309.91	-	100%
- to related parties	-	124.35	(100%)
- on debentures	-	116.09	(100%)
- others	-	500.43	(100%)
	3,803.54	**7,059.81**	**(46%)**

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- The decrease in interest expense on borrowings from banks and financial institutions by ₹ 4,773.41 million, or 93.90% from ₹ 5,083.56 million in FY2019 to ₹ 310.15 million in FY2020 is primarily due to a portion of the net proceeds from the issue of Units and Bond raise by Embassy REIT being utilised towards full repayment of existing loans availed by SPVs from banks and financial institutions.

- Increase in accrual of premium on redemption of debentures is a result of the Non-Convertible Debentures raised by the REIT amounting to ₹ 36,500 million during the year.

- Decrease in other interests and borrowing cost is due to settlement of all intercorporate and related party loans during the previous year.

Depreciation and amortisation expense

Depreciation and amortisation expense for FY2020 was ₹5,281.24 million, an increase of ₹1,718.05 million or 48.22% from ₹3,563.19 million majorly due to one-time fair valuation of property, plant and equipment and investment property on business combination.

Impairment loss

Impairment loss of ₹1,775.98 million was recognised in FY2020 in relation to the Hospitality segment i.e. Hilton @ Embassy GolfLinks and the Four Seasons Hotel. The impairment charge arose in the Hotel CGU due to slower ramp up of occupancy coupled with the current economic conditions due to COVID-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the" fair value less cost to sell" in accordance with Ind AS 36.

Profit before share of profit of equity accounted investees and tax

As a result of the foregoing, we recorded ₹ 6,786.01 million in profit before share of profit of equity accounted investees and tax for FY2020, as compared to ₹ 4,513.56 million in FY2019, an increase of 50.35%.

Share of profit after tax of equity accounted investee

The share of profit in Embassy GolfLinks as equity accounted investees (net of tax) for FY2020 was ₹ 1,169.33 million, an increase of ₹ 17.80 million, or 1.55%, compared to ₹ 1,151.53 million in FY2019 due to increase in revenue by ₹ 413 million which were offset by an increase in depreciation, finance cost and dividend distribution tax.

Profit before tax

As a result of the foregoing, we recorded a profit before tax of ₹ 7,955.34 million for FY2020, as compared to a profit before tax amounting to ₹ 5,665.09 million in FY2019, an increase of 40.43%.

Income tax expense

The portfolio of assets which we own are housed in about 12 SPVs. Each of these SPVs have different tax considerations including SEZ benefits, available MAT credit. Hence, these SPVs have varying current tax percentages. On a blended basis, our cash taxes for FY2020 work out to approximately. 21% of our Profit Before Tax at SPV level and approximately. 6% of our total revenues from operations at a REIT level.

The Government of India has introduced the Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance"), announcing changes to corporate tax rates in the Income Tax Act, 1961, with effect from April 1, 2019. Existing companies have been provided an option to pay income tax at a concessional rate of 22%, subject to conditions prescribed therein in the Ordinance. Further, based on the amendments to the Finance Bill, 2020 dated March 27, 2020, which provides a Nil tax on dividends distributed by REITs in the hands of Unitholders, provided, the SPVs have not opted for such concessional tax rate under Section 115BAA of the IT Act.

Our tax expense was as follows:-

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	% Change
Current tax	1,361.39	1,417.26	(4%)
Deferred tax charge/(credit)	(11.27)	883.69	(101%)
Minimum alternate tax credit entitlement (MAT)	(1,050.12)	(289.15)	263%
	300.00	**2,011.80**	**(85%)**

- **Current tax:-** The decrease in current tax is mainly on account of reduction in taxes in Quadron due to acquisition of Embassy One which is currently under stabilisation.

- **Deferred tax:-** The decrease is majorly due to reversal of deferred tax asset in FY2019 on the expiry of carry forward losses due to change in shareholding of the SPVs pursuant to acquisition by Embassy REIT.

- **MAT:-** The increase in MAT credit is on account of recognition of MAT credit of previous years pursuant to reasonable evidence being available on the utilisation of such credits post acquisition by Embassy REIT.

Profit for the year

As a result of the foregoing, our profit after tax for the year ending FY2020 was ₹ 7,655.34 million, an increase of ₹ 4,002.05 million, or 109.55%, compared to ₹ 3,653.29 million in FY2019.

Non-GAAP Measures—Net Operating Income ("NOI")

Based on the 'management approach' as specified in Ind AS 108, our chief operating decision maker ("CODM") evaluates our performance and allocates resources based on an analysis of various performance indicators by operating segments. We use NOI internally as a performance measure and believe it provides useful information to investors regarding our financial condition and results of operations because it provides a direct measure of the operating results of our business segments. Other companies may use different methodologies for calculating NOI, and accordingly, our presentation of the same may not be comparable to other companies. We define NOI for each of our segments 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 including common area maintenance expenses (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 from hospitality) less Direct operating expenses (which includes (i) cost of materials consumed, (ii) employee benefits expenses, (iii) Operating and maintenance expenses excluding 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 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, amortisation, 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.

The table below gives the computation of our NOI and a reconciliation upto EBITDA:-

	For the Financial Year ended				
	FY2020	FY2019	Variance (%)		
Revenue from Operations	21,449	18,771	14%	NOI	EBITDA at SPV level
Property Taxes and Insurance	(771)	(970)	(21%)		
Direct Operating Expenses	(2,509)	(2,059)	22%		
Net Operating Income	**18,170**	**15,741**	**15%**		
Other Income	1,293	1,539	(16%)		
Property Management Fees	(486)	(303)	61%		
Indirect Operating Expenses	(660)	(1,747)	(62%)		
EBITDA at SPV level	**18,316**	**15,231**	**20%**		

Segment level profitability

Particulars	Commercial Offices		Hospitality		Other Segments	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
Revenue from operations	18,709.58	16,536.21	1,173.39	848.44	1,566.25	1386.16
Net Operating Income	16,627.61	14,140.05	105.40	264.05	1,436.53	1337.20
NOI margins	89%	86%	9%	31%	92%	96%

NOI margins

Our NOI margin for the year was at 85% which reflects our commitment to business efficiency. Our NOI has increased by 15% mainly due to increase in our Revenue from Operations as well as reduction in operating expenses due to successful implementation of certain cost-saving initiatives at our Embassy Manyata property. In terms of our NOI drivers, contracted rental escalations, new lease-up and mark-to-market re-leases contributed to over 95% of the y-o-y NOI increase.

Our commercial office segment contributed 92% of our Revenue from Operations during the year underlying our philosophy of primarily being a commercial office focused REIT.

Our hospitality segment has decreased y-o-y due to additional operating costs during the year due to recent launch of Four Seasons Hotel which is under stabilisation.

Other segment has shown a marginal growth of 7% y-o-y due to stabilisation of power generation at our solar plant.

Increase in NOI from previous year to the current year is due to the following factors: -

Particulars	Contracted Revenue	Vacancy lease-up and MTM	Development	Others
Amount (₹ in million)	1,174	1,132	181	(97)
% of NOI increase	48%	47%	7%	(2%)
Key	• Contracted lease escalation on c.8.8 msf	• Lease up of c.2.4 msf across Embassy Manyata, FIFC, Embassy 247, Embassy TechZone & others	• Lease-up of c.0.5 msf Tower 3 at Embassy Oxygen	• Launch of 230 key Four Seasons Hotel in May'19, hotel under stabilisation
Drivers	• Increase in maintenance and other contracted income	• MTM on c.1.1 msf of ultimate lease expiries at Embassy Manyata, Embassy 247 & others • Net of downtime		• Revenue from Solar and others

Liquidity and capital resources

Overview

During the year ended March 31, 2020, we:-

- Raised ₹36,500 million in two tranches through issue of Non-Convertible Debentures. The funds have been utilised for: -
  - o Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs and granting of shareholder debt – ₹35,500 million
  - o General purposes including issue expenses – ₹950 million
- Raised debt from banks and financial institutions at SPV level of ₹15,206 million at weighted average borrowing cost of 8.85% as follows:
  - o Term Loan at Embassy Manyata – ₹3,397 million
  - o Construction Finance Loan at Embassy Manyata – ₹8,400 million (including undrawn facility of ₹3,997 million)
  - o Term Loan at Embassy Oxygen – ₹3,409 million

Financial resources

As of March 31, 2020, we had cash and cash equivalents (net of book overdrafts) of ₹ 3,111.49 million. Cash and cash equivalents primarily consist of cash on hand; balances with banks in current accounts, escrow accounts and deposit accounts with original maturity below three months (less book overdrafts). We also maintained treasury balances through investment in liquid mutual funds amounting to ₹ 11,549 million as at March 31, 2020. We continue to maintain a strong liquidity position consisting of cash and treasury balances as mentioned above.

The following table sets forth a selected summary of our statement of cash flows for the periods indicated:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net cash generated from operating activities	16,914.76	12,394.76
Net cash generated from/(used in) investing activities	(21,442.42)	1,056.41
Net cash generated from/(used in) financing activities	(41,973.60)	34,724.61
Net (decrease)/increase in cash and cash equivalents	**(46,501.26)**	**48,175.78**
Cash and cash equivalents at the beginning of the year	49,612.75	1,436.97
Cash and cash equivalents at the end of the year	**3,111.49**	**49,612.75**

Cash flow from operating activities

Net cash generated from operating activities for FY2020 was ₹ 16,914.76 million. Our profit before tax was ₹ 6,786.01 million which was adjusted for share of profits for equity accounted investee, non-cash items and items relating to financing and investing activities, by a net amount of ₹ 10,128.75 million, primarily for:

- o finance cost amounting to ₹ 3,803.54 million;
- o depreciation and amortisation expense amounting to ₹ 5,281.24 million;
- o impairment loss on property, plant and equipment amounting to ₹ 1,775.98 million;
- o profit on sale of investments amounting to ₹359.96 million and
- o interest income of ₹451.04 million.

There were also changes in operating assets and liabilities, comprising:

- o a net decrease in trade receivables, loans and other financial assets amounting to ₹903.84 million;
- o a net increase in trade payable, other financial liabilities and provisions amounting to ₹640.86 million.

In addition, we paid income tax of ₹ 1,429.28 million during FY2020.

Cash flow from investing activities

Our net cash used in investing activities for FY2020 was ₹ 21,442.42 million, primarily due to:

- o Investment of the surplus funds in mutual funds amounting to ₹9,251.09 million.
- o Investment in debentures (net of repayment) in our associate Company amounting to ₹724.38 million.
- o Cash spent on Investment Property and Property, Plant and Equipment and intangibles including Capital Work-in-progress and Investment Property under Development of ₹11,797.81 million majorly includes cash spent on construction activities at Embassy Manyata, Embassy TechZone and Embassy Oxygen as well as acquisition of M3 Block B at Embassy Manyata.
- o Payment for acquisition of the balance minority stake of Express Towers amounting to ₹3,450.00 million.
- o Redemption of fixed deposits with banks amounting to ₹2,760.20 million. These were held as lien towards the loan obtained from bank.
- o Dividend received of ₹ 535 million from our associate Company.
- o Interest received amounting to ₹ 485.66 million from our associate Company and fixed deposits held on lien and for M3 Block B.

Cash flow from financing activities

Our net cash used in financing activities in FY2020 was ₹ 41,973.60 million, primarily due to:

- o Repayment of borrowings amounting to ₹ 73,462.66 million from the IPO proceeds and Bond raise received by REIT.
- o Proceeds from borrowings (net off issue expenses) amounting to ₹ 48,947.26 includes issue of non-convertible debentures amounting to ₹ 36,500 million as well as other construction finance and term loans taken for the purpose of construction activity.
- o Interest paid of ₹1,562.48 million for the loan taken from banks and financial institutions.
- o Transaction costs related to issue of units of ₹2,378.63 million paid in the current year.
- o Distribution to Unitholders including taxes on account of distribution by SPVs amounting to ₹13,526.72 million.

Distributions

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to the Unitholders not less than 90% of the net distributable cash flows ('NDCF') of Embassy Office Parks REIT and the current policy of the Manager is to comply with such requirement. The NDCF is calculated in accordance with the REIT Regulations and in the manner provided in the NDCF framework defined by the Manager. The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPVs/Holding Company, (ii) Principal repayment of Shareholder Debt, and (iii) dividend declared by the SPVs/ Holding Company and received by Embassy Office Parks REIT. Since Embassy Office Parks REIT has committed to quarterly distributions, any shortfall regarding paying minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, Interim Dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.

The Board of Directors of the Manager to the Trust, in their meeting held on May 19, 2020, have declared distribution to Unitholders of ₹ 6.89 per unit which aggregates to ₹ 5,316.77 million for the quarter ended March 31, 2020. The distributions of ₹ 6.89 per unit comprises ₹ 2.49 per unit in the form of interest payment, ₹ 0.23 per unit in the form of dividend and the balance ₹ 4.17 per unit in the form of amortisation of SPV debt.

Along with distribution of ₹ 13,504.15 million/ ₹ 17.50 per unit for the nine-months ended December 31, 2019, the cumulative distribution for the year ended March 31, 2020 aggregates to ₹ 18,820.92 million/₹ 24.39 per unit.

Tax implications of the distributions in the hands of Unitholders

The income-tax treatment for distributions by Embassy REIT in the hands of the Unitholders under the Indian Income-tax Act, 1961 ('the Act') read with the Income-tax Rules, 1962 ('the Rules') applicable for Financial Year 2020-2021 are as follows:-

- Interest income - Taxable in the hands of the Unitholders at the applicable rates.
- Dividend income - Exempt in the hands of the Unitholders.
- Amortisation of SPV debt- Exempt in the hands of the Unitholders.
- On sale of Units:- Long-term capital gains exceeding ₹ 1 lakh on sale of units held for more than 36 months– 10% (plus applicable surcharge and cess); and Short-term capital gains on sale of units held for up to 36 months – 15% (plus applicable surcharge and cess).

Borrowings

The following table presents a breakdown of borrowings as on March 31, 2020 and the corresponding ratios:-

Below is a brief overview of the borrowings: -

Debt Maturity Schedule as of March 31, 2020

(₹ in million)

Description	Rating	Fixed/ Floating	Total Facility	Balance Facility	Out-standing Principal	Amor-tized Cost	Interest Rate	Maturity Date	Principal Repayment Schedule					
									FY21	FY22	FY23	FY24	FY25 & Beyond	Total
At REIT														
Embassy Office Parks REIT Series I NCD (Tranche I)	CRISIL AAA/ Stable	Fixed	30,000	-	30,000	32,351	9.40%	Jun-22	-	-	30,000	-	-	30,000
Embassy Office Parks REIT Series I NCD (Tranche II)	CRISIL AAA/ Stable	Fixed	6,500	-	6,500	6,668	9.05%	Jun-22	-	-	6,500	-	-	6,500
At SPV														
Deferred Payment Liability (EEPL)	-	Fixed	6,854	-	6,489	7,279	12.72%	Feb-33	212	241	273	310	5,453	6,489
Term Loan (Embassy Manyata)	-	Floating	3,397	-	3,371	3,362	8.85%	Dec-22	58	58	3,255	-	-	3,371
Construction Finance (Embassy Manyata)	CRISIL AAA/ Stable	Floating	8,400	3,997	4,403	4,381	9.15%	Sep-23	-	-	-	4,403	-	4,403
Term Loan (Embassy Oxygen)	CRISIL AA/ Stable	Floating	3,409	-	3,403	3,390	8.45%	Sep-31	62	110	160	191	2,880	3,403
Others	-	-	NM	-	31	31	10.50%	-	15	16	-	-	-	31
Total			**58,560**	**3,997**	**54,197**	**57,461**	**9.61%**		**346**	**425**	**40,188**	**4,904**	**8,333**	**54,197**

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Key leverage metrics

At c.15% Net Debt to TEV, our conservative Balance Sheet provides significant flexibility to weather the near term COVID-19 impact:

Particulars	March 31, 2020
Net Debt to TEV	15.0%
Net Debt to GAV	14.5%
Net Debt to EBITDA	2.7x
Interest Coverage Ratio	
- excluding capitalised interest	5.1x
- including capitalised interest	4.0x
Available Debt headroom	₹114bn

Capital expenditures and capital investments

Historical capital expenditure

Capital expenditure comprises of additions during the year to property, plant and equipment, capital work-in-progress, investment property and investment property under development.

During the year FY2020, we have incurred capital expenditure of ₹ 11,797.81 million, primarily for the construction of the Office space (NXT) and Hotels as well as acquisition of M3 Block B at Embassy Manyata and construction of Tower 2 at Embassy Oxygen.

Planned Capital expenditure

The following table presents our development status:

Development Status as of May 19, 2020	
Embassy Manyata (NXT, c.0.8 msf)	• Occupancy certificate received in Jan'20; TIs/fit-out works underway • c.75% or c.594k sf committed
Embassy Oxygen (Tower 2, c.0.6 msf)	• Occupancy certificate received in Feb'20; TIs/fit-out works underway • c.43% or c.246k sf committed
Embassy TechZone (Hudson, c.0.5 msf) (Ganges, c.0.4 msf)	• Hudson Block – Design, excavation & sub-structure works completed; super structure work initiated • Ganges Block – Design & excavation work completed, sub-structure work underway • Targeting Jun'22 completion
Embassy Manyata M3 Parcel (Block A – c.1.0 msf) (Block B – c.0.6 msf)	• M3 Block A – Excavation and sub-structure works underway. Targeting Dec'22 completion • M3 Block B – Pre-construction works initiated. Targeting Jun'23 completion
Embassy Oxygen (Tower 1, c.0.7 msf)	• Design completed; excavation and pre-construction works initiated • Targeting Jun'23 completion

Our balance costs to be spent for Development in Progress is provided below:

Development in Progress

as of March 31, 2020

Asset	Projects	Development Area (msf)	Keys	Pre-committed/ Leased Area (%)	Occupier	Estimated/ Actual Completion Date	Balance cost to be spent (₹ in million)
Base-Build Projects							
Embassy Manyata	NXT Blocks	0.8	NA	75%	ANSR, Motorola, WeWork	Completed	739
Embassy Oxygen	Tower 2	0.6	NA	43%	MetLife	Completed	382
Embassy Manyata	Front Parcel - Hilton Hotels	NA	619	NA	NA	Jun-22	5,392
Embassy Manyata	M3 Block A	1.0	NA	0%	-	Dec-22	3,556
Embassy Manyata	M3 Block B	0.6	NA	0%	-	Jun-23	3,112
Embassy TechZone	Hudson Block	0.5	NA	0%	-	Jun-22	1,546
Embassy TechZone	Ganges Block	0.4	NA	0%	-	Jun-22	1,496
Sub-total		**3.9**	**619**				**16,222**
Upcoming Upgrade Projects							
Embassy Manyata	Flyover	NA	NA	NA	NA	Jun-21	1,438
Embassy Manyata	Master Plan Upgrade	NA	NA	NA	NA	Sep-22	1,539
Embassy TechZone	Master Plan Upgrade	NA	NA	NA	NA	Jun-21	1,029
Embassy Quadron	Master Plan Upgrade	NA	NA	NA	NA	Sep-21	350
Others	Multiple	NA	NA	NA	NA	Multiple	3,835
Sub-total		**NA**	**NA**	**NA**	**NA**		**8,191**
Total		**3.9**	**619**				**24,412**

Off-Balance Sheet Arrangements and Contingent Liabilities

We do not have any material off-balance sheet arrangements.

The table below sets forth our contingent liabilities as of March 31, 2020:-

Particulars	As at March 31, 2020	As at March 31, 2019
Claims not acknowledged as debt in respect of Income Tax matters	425.41	390.03
Claims not acknowledged as debt in respect of Service Tax matters	730.10	598.90
Claims not acknowledged as debt in respect of Property Tax matters	3,313.08	3,212.76

Net asset value (NAV)

Mr. Manish Gupta, Partner, iVAS Partners in conjunction with value assessment services undertaken by CBRE South Asia Pvt. Ltd., carried out our annual valuation as an independent valuer and valued our Portfolio at ₹ 331,683 million with c.92% of value in commercial office segment, underpinning Embassy REIT's asset quality as of March 31, 2020.

Asset wise GAV along with the key assumptions used in the valuation are as follows:-

Valuation Highlights

as of March 31, 2020

Asset	Valuation Assumptions				GAV as of March 2020 (₹ in million)		
	Discount Rate Completed	Discount Rate U/C	Cap Rate/ EBITDA Multiple	Rent/ ADR/Tariff Rate	Completed	Proposed/ U/C	Total
Commercial Assets							
Embassy Manyata	12.03%	13.00%	8.00%	90	129,952	20,154	150,106
Embassy GolfLinks	12.03%	NA	8.00%	148	27,014	-	27,014
Embassy One	12.03%	NA	7.50%	147	4,897	-	4,897
Express Towers	12.03%	NA	7.50%	270	17,866	-	17,866
Embassy 247	12.03%	NA	8.00%	110	16,624	-	16,624
FIFC	12.03%	NA	7.75%	285	13,911	-	13,911
Embassy TechZone	12.03%	13.00%	8.25%	48	14,929	6,103	21,032
Embassy Quadron	12.03%	NA	8.25%	48	13,838	-	13,838
Embassy Qubix	12.03%	NA	8.25%	48	10,085	-	10,085
Embassy Oxygen	12.03%	13.00%	8.25%	54	19,492	1,924	21,416
Embassy Galaxy	12.03%	NA	8.25%	45	8,696	-	8,696
Sub-Total (Commercial Offices)					**277,304**	**28,181**	**305,485**
Hospitality Asset							
Hilton at Embassy GolfLinks	12.63%	-	14.0x	9,000	4,436	-	4,436
Four Seasons at Embassy One	12.63%	-	14.0x	10,500	7,673	-	7,673
Hilton at Embassy Manyata	-	13.60%	14.0x	8,000	-	2,378	2,378
Hilton Garden Inn at Embassy Manyata	-	13.60%	14.0x	5,500	-	1,422	1,422
Sub-Total (Hospitality)					**12,109**	**3,800**	**15,909**
Others							
Embassy Energy	13.50%	-	NA	8.76	10,289	-	10,289
Sub-Total (Others)					10,289	-	10,289
Total					**299,702**	**31,981**	**331,683**

The computation of NAV from GAV is as follows:-

Particulars	31-Mar-20	30-Sep-19	Variance
Gross Asset Value	331,683	321,120	3%
Other Assets	69,672	67,140	
Other Liabilities	(112,254)	(98,943)	
NAV	289,100	289,317	
NAV per unit	374.64	374.93	(0.1%)

Internal control systems

Embassy REIT has a strong internal control system to manage its operations, financial reporting, and compliance requirements. The Investment Manager has clearly defined roles and responsibilities for all managerial positions. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. All the business parameters are regularly monitored, and effective steps are taken to control them. Regular internal audits are undertaken to ensure that responsibilities are executed effectively.

The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of internal control systems and suggests improvements to further strengthen them. The effectiveness of the internal control over financial reporting for each of the SPVs as at March 31, 2020 has been audited by S.R. Batliboi & Associates LLP, our statutory auditors who expressed an unqualified opinion on the effectiveness of each SPVs internal control over financial reporting as of March 31, 2020.

Outlook

Given the unprecedented degree of economic uncertainty due to COVID-19 disruptions, the full impact to global businesses and economies caused by the pandemic cannot be currently ascertained.

2019 was a year of record absorption for the India office market and vacancies were also at record lows at year end. In the post COVID world, consultants are projecting net absorption down 28-33% for this year with occupiers likely to defer decision-marking on new leasing while they focus on delivering business continuity to their dislocated workforce. The actual absorption recovery timeline remains uncertain.

However, we do believe that global technology spends will continue to grow, especially in digital, cloud, data services and cyber security. Further, increased cost pressures on global businesses may increase offshoring to the benefit of India office demand in the mid-term as was the case post global financial crisis in 2009.

Global companies will increasingly prefer the best properties, with high levels of compliance and service, and landlords who are well capitalised and possess strong operational track records. Occupiers will increasingly focus on wellness and enhancement of safety protocols for property management, which we believe will drive demand to our high-quality portfolio.

Supply has shrunk considerably last quarter, with consultants reporting 35-40% y-o-y drop. This trend will continue, and supply is expected to drop significantly in the mid-term due to supply chain disruptions, labour relocation challenges and liquidity pressures. While consultants estimate 25% drop in the announced supply over the next 2 years, actual competing and comparable supply for REIT properties may be even lower. This will further consolidate demand for institutional quality projects with healthy financing and project completion predictability to our benefit.

As we move into FY2021, and implement our business plans, we are now focused on execution excellence in a period of high uncertainty. Given the potential impact of COVID-19 on businesses globally is unclear and evolving, we continue to proactively manage our portfolio to mitigate its impact and emerge even stronger.

We believe that our total business ecosystem leaves us at the top of the pyramid in competing for occupiers, that our focus on operational excellence and long-term approach to value creation will continue to make us the landlord of choice in India.

Corporate Governance

Embassy REIT's Philosophy on Corporate Governance:

Embassy REIT seeks to ensure a high standard of corporate governance consistent with global best practices. Our governance framework emphasises accountability, transparency and integrity, with a view to maximising Unitholder value. Embassy REIT has in place a comprehensive set of compliance policies to implement this corporate governance framework.

Authorisation structure

Embassy REIT was settled 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 March 30, 2017 as amended on September 11, 2018. Embassy REIT was registered with SEBI on August 3, 2017 as a real estate investment trust under Regulation 3(1) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 ("REIT Regulations") having registration number IN/REIT/17-18/0001. Embassy Sponsor and Blackstone Sponsor are the sponsors of Embassy REIT. Units of Embassy REIT were listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") on April 1, 2019.

Manager

Embassy Office Parks Management Services Private Limited ("EOPMSPL") is the Manager of Embassy REIT. The Manager is a private limited Company incorporated in India under the Companies Act, 1956 on January 31, 2014 at Bengaluru, Karnataka. EOPMSPL is held by Embassy Sponsor and certain entities forming part of the Blackstone Sponsor Group with the shareholding of 51% and 49%, respectively. The Manager's role is to manage Embassy REIT and its assets in accordance with the Trust Deed, the Investment Management Agreement and the REIT Regulations in the interests of Unitholders.

Trustee

Axis Trustee Services Limited is the Trustee of Embassy REIT. The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a debenture trustee with registration number IND000000494 which is valid until suspended or cancelled by SEBI. The Trustee is a wholly owned subsidiary of Axis Bank Limited.

The Trustee is not an Associate of either of the Sponsors or the Manager. The Trustee is responsible for safe custody of the assets of the Embassy REIT and holds the assets in trust for the benefit of the Unitholders.

Governance statement

For the year ended March 31, 2020, the Manager and Embassy REIT have complied with the provisions of the Trust Deed, the REIT Regulations and the Corporate Governance policies.

Board of Directors and Management

Constitution of the Board

i. The Manager has 8 (eight) Directors. All the Directors of the Manager are Non-Executive Directors, one half of which are Independent Directors. The profiles of the Directors are set forth on page 46-49 of this report.

ii. The Board is responsible for the overall management and governance of the Manager.

iii. Mr. Michael D Holland (as the Chief Executive Officer of the Manager) is responsible for the day-to-day business, operations and the management of the Manager and Embassy REIT, subject to the superintendence, control and direction of the Board of Directors of the Manager.

Meetings of the Board of Directors

i. Five Board Meetings were held during the year ended March 31, 2020 on May 28, 2019, August 12, 2019, November 11, 2019, January 20, 2020 and February 14, 2020 respectively. The necessary quorum was present for all the meetings.

ii. a) The Board passed a circular resolution on June 28, 2019 covering matters which were subsequently-approved at the first annual meeting of the Unitholders of Embassy REIT held on July 25, 2019.

b) The Board passed a circular resolution on December 30, 2019 covering matters which were subsequently noted at the Board meeting held on January 20, 2020.

c) The Board passed a circular resolution on March 23, 2020 covering matters which were subsequently noted at the Board meeting held on May 19, 2020.

The table below sets out the number of Board and Unitholder meetings attended by each Director:

Name of the Director	Category	Number of Board Meetings attended during the year ended March 31, 2020	Whether attended the meeting of the Unitholders held on July 25, 2019
Mr. Jitendra Virwani	Non-Independent Non-Executive	4	No
Mr. Anuj Puri	Independent Director Non-Executive Director	5	Yes
Mr. Vivek Mehra	Independent Director Non-Executive Director	5	Yes
Mr. Aditya Virwani	Non-Independent Non-Executive	4	Yes
Mr. Tuhin Parikh	Non-Independent Non-Executive	4	No
Dr. Ranjan Pai	Independent Director Non-Executive Director	4	Yes
Dr. Punita Kumar Sinha	Independent Director Non-Executive Director	5	No
Mr. Robert Christopher Heady	Non-Independent Non-Executive	1	No
Mr. Asheesh Mohta*	Non-Independent Non-Executive	3	Yes

*Alternate director to Mr. Robert Christopher Heady

i. Audio visual electronic facility is provided to the directors to enable them to participate in the meetings when they are unable to attend the meetings in person.

ii. On May 28, 2019, a meeting of the Independent Directors who are on the Board of Directors of the Manager was held to review and evaluate the performance of the directors and the Board as a whole.

iii. As on March 31, 2020, the following members of the Board, Key Personnel and senior management held units in the Embassy REIT:

Name	Category	Number of Embassy REIT Units held
Mr. Vivek Mehra	Independent Director	6,400
Mr. Aditya Virwani	Non-Executive Director	600
Mr. Michael D Holland	Chief Executive Officer	265,200
Mr. Rajesh Kaimal*	Chief Financial Officer	1,800
Mr. Bhhavesh Kamdar, along with his immediate relative	President Leasing	26,200

*Mr. Rajesh Kaimal resigned as the Chief Financial Officer with effect from close of business on May 19, 2020

Committees constituted by the Board

The Board has constituted Eight (8) committees. The composition and terms of reference of each of those committees is set forth below:

Committee	Composition: Name	Composition: Category
Audit Committee	Mr. Vivek Mehra – Chair	Independent Non-Executive Director
	Mr. Anuj Puri	Independent Non-Executive Director
	Dr. Punita Kumar Sinha	Independent Non-Executive Director
	Dr. Ranjan Pai	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director
	Mr. Asheesh Mohta*	Non-Independent Non-Executive Director

* Alternate director to Mr. Robert Christopher Heady

Committee	Composition	
Nomination and Remuneration Committee	**Name**	**Category**
	Dr. Ranjan Pai – Chair	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director
	Mr. Tuhin Parikh	Non-Independent Non-Executive Director
	Mr. Vivek Mehra	Independent Non-Executive Director
Stakeholders' Relationship Committee	**Name**	**Category**
	Dr. Punita Kumar Sinha– Chair	Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Mr. Asheesh Mohta*	Non-Independent Non-Executive Director
	Mr. Vivek Mehra	Independent Non-Executive Director
	* Alternate director to Mr. Robert Christopher Heady	
Corporate Social Responsibility Committee	**Name**	**Category**
	Mr. Tuhin Parikh	Non-Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Dr. Ranjan Pai	Independent Non-Executive Director
Risk Management Committee	**Name**	**Category**
	Mr. Vivek Mehra - Chair	Independent Non-Executive Director
	Dr. Ranjan Pai	Independent Non-Executive Director
	Dr. Punita Kumar Sinha	Independent Non-Executive Director
	Mr. Anuj Puri	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director
	Mr. Asheesh Mohta*	Non-Independent Non-Executive Director
Investment Committee	**Name**	**Category**
	Mr. Anuj Puri – Chair	Independent Non-Executive Director
	Dr. Ranjan Pai	Independent Non-Executive Director
	Mr. Jitendra Virwani	Non-Independent Non-Executive Director
	Mr. Tuhin Parikh	Non-Independent Non-Executive Director
	* Alternate director to Mr. Robert Christopher Heady	
Management Committee	**Name**	**Category**
	Mr. Michael D Holland	Chief Executive Officer
	Mr. Rajesh Kaimal	Chief Financial Officer
	Mr. Vikaash Khdloya	Deputy Chief Executive Officer and COO
	Mr. Aravind Maiya*	Deputy Chief Financial Officer
	* Mr. Aravind Maiya has been appointed as the Chief Financial Officer with effect from close of business on May 19, 2020	
Debenture Committee	**Name**	**Category**
	Mr. Tuhin Parikh	Non-Independent Non-Executive Director
	Mr. Aditya Virwani	Non-Independent Non-Executive Director
	Mr. Vikaash Khdloya	Deputy Chief Executive Officer and COO
	Mr. Rajesh Kaimal*	Chief Financial Officer
	* Mr. Rajesh Kaimal resigned as the Chief Financial Officer with effect from close of business on May 19, 2020	

Audit Committee - Terms of Reference

The terms of reference of the Audit Committee include the following:

(i) Providing recommendations to the Board of Directors regarding any proposed distributions;

(ii) Overseeing the Embassy REIT's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

(iii) Giving recommendations to the Board of Directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Embassy REIT and the audit fee, subject to the approval of the Unitholders;

(iv) Reviewing and monitoring the independence and performance of the statutory auditor of the Embassy REIT, and effectiveness of audit process;

(v) Approving payments to statutory auditors of the Embassy REIT for any other services rendered by such statutory auditors;

(vi) Reviewing the annual financial statements and auditor's report thereon of the Embassy REIT, before submission to the Board of Directors for approval, with particular reference to:

- changes, if any, in accounting policies and practices and reasons for such change;
- major accounting entries involving estimates based on the exercise of judgement by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- qualifications in the draft audit report;

(vii) Reviewing, with the management, all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of the Embassy REIT before submission to the Board of Directors for approval;

(viii) Reviewing, with the management, the statement of uses/application of funds raised through an issue of units by Embassy REIT (public issue, rights issue, preferential issue, etc.) and the statement of funds utilised for purposes other than those stated in the offer documents/notice, and making appropriate recommendations to the Board of Directors for follow-up action;

(ix) Approving or any subsequent modifications of transactions of the Embassy REIT with related parties;

(x) Reviewing loans and investments of the Embassy REIT;

(xi) Reviewing valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;

(xii) Evaluating financial controls and risk management systems of the Embassy REIT;

(xiii) Reviewing, with the management, the performance of statutory auditors of the Embassy REIT, and adequacy of the internal control systems, as necessary;

(xiv) Reviewing the adequacy of internal audit function if any of the Embassy REIT including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xv) Reviewing the findings of any internal investigations in relation to Embassy REIT into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;

(xvi) Reviewing the procedures put in place by the Manager for managing any conflict that may arise between the interests of the Unitholders, the parties to the Embassy REIT and the interests of the Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Manager, and the setting of fees or charges payable out of the Embassy REIT's assets;

(xvii) Discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/valuation discussion to ascertain any area of concern;

(xviii) Reviewing and monitoring the independence and performance of the valuer of the Embassy REIT;

(xix) Monitoring the end use of net proceeds;

(xx) Giving recommendations to the Board of Directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the valuer of the Embassy REIT;

(xxi) Evaluating any defaults or delay in payment of distributions to the Unitholders or dividends by the Asset SPVs to the Embassy REIT and payments to any creditors of the Embassy REIT or the Asset SPVs, and recommending remedial measures;

(xxii) Reviewing the management's discussion and analysis of financial condition and results of operations;

(xxiii) Reviewing the statement of all related party transactions, submitted by the management;

(xxiv) Reviewing the Management letters/letters of internal control weaknesses issued by the statutory auditors of the Embassy REIT;

(xxv) Formulating any policy for the Manager, as necessary, in relation to its functions, as specified above; and

(xxvi) Performing such other activities as may be delegated by the Board of Directors of the Manager and/or are statutorily prescribed under any law to be attended to by the Audit Committee.

Nomination and Remuneration Committee - Terms of Reference

The terms of reference of the Nomination and Remuneration Committee shall include the following:

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Manager, a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ii) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

(iii) Devising a policy on Board diversity;

(iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors, their appointment and removal and evaluation of director's performance;

(v) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(vi) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Manager successfully;

(vii) Endeavouring to appoint key employees to replace any key employee within six months and making recommendations with respect to the same to the Board of Directors of the Manager;

(viii) Carrying out any other function as prescribed under applicable law; and

(ix) Performing such other activities as may be delegated by the Board of Directors of the Manager and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Stakeholders' Relationship Committee - Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee shall include the following:

(i) Considering and resolving grievances of the Unitholders, including complaints related to the transfer of units, non-receipt of annual report and non-receipt of declared distributions;

(ii) Reviewing of any litigation related to Unitholders' grievances;

(iii) Updating Unitholders on acquisition/sale of assets by the Embassy REIT and any change in the capital structure of the Asset SPVs;

(iv) Reporting specific material litigation related to Unitholders' grievances to the Board of Directors;

(v) Approving report on investor grievances, if any, to be submitted to the Trustee by the Manager; and

(vi) Performing such other activities as may be delegated by the Board of Directors of the Manager and/or are statutorily prescribed under any law to be attended to by the Stakeholders' Relationship Committee.

Corporate Social Responsibility Committee - Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include the following:

(i) Formulating and recommending to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;

(ii) Instituting an implementation and monitoring mechanism for CSR Activities and CSR Policy;

(iii) Periodically updating the Board on the progress being made in the planned CSR Activities; and

(iv) Providing a responsibility statement in the Board's Report.

Risk Management Committee - Terms of Reference

The terms of reference of the Risk Management Committee include the following:

(i) Assessing the Embassy REIT's risk profile and key areas of risk, in particular;

(ii) Recommending the adoption of risk assessment and rating procedures;

(iii) Examining and determine the sufficiency of the internal process for reporting on and managing key risk areas;

(iv) Assessing and recommending to the Board the acceptable levels of risk;

(v) Assisting the Board in formulating risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;

(vi) Reviewing the nature and level of insurance coverage of the assets of the Embassy REIT;

(vii) Investigating areas of corporate risk and breakdowns in internal controls;

(viii) Reviewing the trends in the Embassy REIT's risk profile reports on specific risks and the status of the risk management process;

(ix) Periodically reviewing the enterprise risk management process of the Embassy REIT;

(x) Reviewing and assessing the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed; and

(xi) Ensuring effective and timely implementation of corrective actions to address risk management deficiencies.

Investment Committee - Terms of Reference

The terms of reference of the Investment Committee include the following:

(i) Reviewing of investment decisions with respect to the underlying assets or projects of the Embassy REIT including any further investments or divestments to ensure protection of the interest of Unitholders including, investment decisions which are related party transactions;

(ii) Undertaking all functions in relation to protection of Unitholders' interests and resolution of any conflicts while making an investment, including reviewing agreements or transactions in this regard;

(iii) Approving any proposal in relation to acquisition of assets or further issue of Units including in relation to acquisition of assets;

(iv) Formulating any policy for the Manager as necessary, in relation to its functions, as specified above; and

(v) Performing such other activities as may be delegated by the Board of Directors of the Manager and/or are statutorily prescribed under any law to be attended to by the Investment Committee.

Management Committee - Terms of Reference

The terms of reference of the Management Committee include the following:

(i) Adopting, reviewing and monitoring of various policies, systems and procedures with regards to day to day operations such as human resource, information technology, data management etc.;

(ii) Investing of idle funds of Embassy REIT in areas and up to a limit specifically delegated by the Board of Directors;

(iii) Monitoring of Accounts Receivables, Accounts Payables and other routine finance related matters;

(iv) Providing status updates on various statutory matters such as Income Tax, Goods and Service Tax, Labour Laws etc.;

(v) Providing status updates on pending litigations initiated by or against the Manager (if any);

(vi) Providing reviews and recommendations on all matters presented to the Board including the following:

- Business and strategy review;
- Long-term financial projections and cash flows;
- Capital and revenue budgets and capital expenditure programmes;
- Acquisitions, divestments and business restructuring proposals; and
- Senior management succession planning.

(vii) Opening, operating, modifying and/or closing any and all bank accounts of and/or in the name of the Manager and/or Embassy REIT including authorising any official/s to do any and all actions for or in connection therewith, with or without monetary limit on such authority, from time to time;

(viii) To avail, renew and enhance the Auto Loan facilities including bank overdraft, from time to time, up to ₹8 crore and authorise execution of loan and other agreements including hypothecation agreements and to create charges on the Company's assets;

(ix) To approve any amendments to the primary/ secondary approvers under the Delegation of Authority Matrix ("DoA") of Embassy Office Parks REIT, its holding Company and special purpose vehicles and the Company from time to time, provided that any modification of the prescribed limits under the DoA shall be approved by the Board of Directors; and

(x) To consider and approve including authorising such officials of the Company for approval and execution of undertaking(s), declaration(s), guarantee(s), letters of comfort and such other documents to the banks/financial institutions with respect to financial assistance availed for loans availed by the Special Purpose Vehicle's and Holdco of Embassy Office Parks REIT up to ₹ 2,000 crore."

Debenture Committee - Terms of Reference

The terms of reference of the Debenture Committee include the following:

(i) perform all actions and undertake all responsibilities of the REIT to be undertaken by the Company pursuant to the Investment Management Agreement;

(ii) approve the debt proposed to be availed by the REIT including by way of issuance and listing of non-convertible debentures;

(iii) approve the terms and execution of the transaction contemplated by, the Transaction Documents (to which it is a party);

(iv) comply with the requirements applicable to an investment manager under the REIT Regulations and under applicable law;

(v) completing all legal, statutory and procedural formalities, including appointment of various intermediaries, filing/registering the Information Memorandum with SEBI, BSE Limited or/and National Stock Exchange of India Limited, as the case may be (the "Stock Exchanges"), authorising affixation of common seal (if applicable), and any other forms or applications required to be filed with any other statutory agencies or relevant authorities in accordance with applicable law and do all acts in relation thereto;

(vi) approve the terms and execute the Transaction Documents (to which it is a party), and any other document designated in writing as a transaction document by the Trustee (as the case may be) and the REIT;

(vii) to appoint a director or other authorised persons to, *inter alia*, negotiate, finalise and execute the Transaction Documents (to which it is a party);

(viii) authorising any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/its absolute discretion may deem necessary or desirable in connection with the Issue;

(ix) giving or authorising any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(x) authorising the appointment of credit rating agencies in order to obtain a credit rating in relation to the Debentures;

(xi) authorising any director or directors of the Company or other officer or officers of the Company to participate in investor road shows and prepare investor presentations for syndication of the Debentures;

(xii) approving the information memorandum (including amending, varying or modifying the same, however fundamental they may be, as may be considered desirable or expedient) in relation to the Issue of Debentures;

(xiii) filing of the information memorandum with BSE Limited or/and National Stock Exchange of India Limited, as the case may be (the "Stock Exchanges") within the prescribed time period and setting up an online bidding mechanism on the electronic book platform of the Stock Exchanges, in accordance with applicable law;

(xiv) obtaining in-principle approval, seeking the listing of the Debentures on the Stock Exchanges, submitting the listing application to such Stock Exchange and taking all actions that may be necessary in connection with obtaining such listing;

(xv) dealing with all matters up to allotment of the Debentures to the debenture holders;

(xvi) authorising the maintenance of a register of debenture holders;

(xvii) dealing with all matters relating to the issue and listing of the Debentures as specified under REIT Regulations, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Debenture Trustee) Regulations, 1993 and any guidelines as may be issued by SEBI or the Reserve Bank of India ("RBI") in this regard;

(xviii) dealing with all matters in relation to availing of loan by the REIT as specified under REIT Regulations and under any other applicable law;

(xix) opening and operating of bank accounts for the Issue;

(xx) accepting and utilising the proceeds of the non-convertible debentures issued by the REIT in the manner provided under the respective transaction documents and the applicable law;

(xxi) deciding the pricing and the terms of the non-convertible debentures issued by the REIT (including but not limited to creation of security on all securities held by the REIT in its Secured SPVs), and all other related matters;

(xxii) appointing the registrar and any other intermediaries and security trustee/debenture trustee in relation to the Debentures, in accordance with the provisions of the REIT Regulations and other applicable law and entering into the required agreements with all intermediaries and security trustee/ debenture trustee;

(xxiii) to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to issue of non-convertible debentures by the REIT.

Number of Committee Meetings held and attendance records:

The table below sets out the number of committee meetings attended by each member of the committee:

Name of the Committee	Audit Committee ("AC")	Nomination and Remuneration Committee ("NRC")	Stakeholders' Relationship Committee ("SRC")	Corporate Social Responsibility Committee ("CSR")
No. of meetings held	6	3	4	1
Date of meetings	May 28, 2019 August 12, 2019 November 11, 2019 January 20, 2020 February 14, 2020 February 26, 2020	May 28, 2019 August 12, 2019 February 14, 2020	May 28, 2019 August 12, 2019 November 11, 2019 February 14, 2020	May 28, 2019

Name of the Committee	Risk Management Committee ("RMC")	Debenture Committee ("DC")	Investment Committee ("IC")	Management Committee ("MC")
No. of meetings held	1	4	4	5
Date of meetings	November 11, 2019	April 15, 2019 April 23, 2019 May 3, 2019 November 22, 2019	November 11, 2019 January 20, 2020 February 14, 2020 February 26, 2020	September 3, 2019 November 5, 2019 November 18, 2019 January 20, 2020 March 4, 2020

	Number of Meeting(s) attended					
Name of Member	AC	NRC	SRC	CSR	RMC	IC
Mr. Vivek Mehra	6	3	4	NA	1	NA
Mr. Anuj Puri	6	NA	NA	NA	1	4
Dr. Punita Kumar Sinha	6	NA	4	NA	1	NA
Mr. Jitendra Virwani	4	3	NA	NA	1	2
Dr. Ranjan Pai	5	2	NA	-	1	4
Mr. Asheesh Mohta*	3	NA	3	NA	1	NA
Mr. Tuhin Parikh	NA	3	NA	1	NA	2
Mr. Aditya Virwani	NA	NA	4	1	NA	NA
Mr. Robert Christopher Heady	1	NA	1	NA	NA	NA

* Alternate director to Mr. Robert Christopher Heady

Remuneration of Directors

Remuneration to Independent Directors is paid as a combination of sitting fees for attending Board/Committee meetings and commission/performance incentive.

Upon completion of an evaluation exercise and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors (excluding independent directors) may approve the performance remuneration payable to each independent director through a unanimous resolution.

The remuneration payable to the independent directors shall be within the overall limit of the fee payable to the Manager.

Policies of the Board of Directors of the Manager in relation to the Embassy REIT

The Manager has adopted the following policies in relation to the Embassy REIT:

- Code of Conduct and Ethics for Directors, Senior Management and other employees (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Code-of-Conduct.pdf);
- Code on unpublished price sensitive information and dealing in the Units by the parties to the Embassy REIT (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Insider-Trading-Code_Embassy-REIT.pdf);
- Distribution Policy (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Distribution-Policy.pdf);
- Policy on Determination of Materiality of Information for Periodic Disclosures (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Policy-for-Determining-Materiality-of-Information-for-Periodic-Disclosures.pdf);
- Whistle Blower Policy (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Whistle-Blower-Policy.pdf);
- Policy on Related Party Transactions (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Policy-on-Related-Party-Transactions.pdf);
- Stakeholders Grievances and Redressal Policy (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Stakeholder-Grievance-and-Redressal-Policy.pdf);
- Borrowing Policy;
- (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Borrowing-Policy.pdf))[Corporate Social Responsibility Policy;
- (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Corporate-Social-Responsibility-Policy.pdf)
- Policy on Appointment of auditor and valuer;
- (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Policy-on-Appointment-of-Auditor-and-Valuer.pdf)
- Risk Management Policy;
- https://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Risk-Management-Policy.pdf
- Document Archival Policy;
- Board Evaluation Policy;
- Business Continuity Policy
- Anti-Money Laundering Policy and Anti-Corruption Compliance Policy; and
- (http://s2.q4cdn.com/482484005/files/doc_downloads/2019/12/Anti-Money-Laundering-Policy-and-Anti-Corruption-Compliance-Policy.pdf)
- Prevention of Sexual Harassment Policy.
- Nomination and Remuneration Policy; and
- Short-term Investment Policy

UNITHOLDERS

The number of Unitholders of the Embassy REIT as on March 31, 2020 was 5,898. The detailed category wise break-down of the composition of the Unitholders as on March 31, 2020 is given below:

Category	Category of Unit holder	No. of Units Held	As a % of Total Out- standing Units	No. of units mandatorily held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held
(A)	**Sponsor(s)/Manager and their associates/related parties and Sponsor Group**						
(1)	**Indian**	0	0.00				
(a)	Individuals/HUF	0	0.00				
(b)	Central/State Govt.	0	0.00				
(c)	Financial Institutions/Banks	0	0.00				
(d)	Any Other Embassy Property Developments Private Limited - (Body Corporate) Sponsor	115,484,802	14.97	115,484,802#	100.00	34,221,881	29.63
	Sub-Total (A) (1)	**115,484,802**	**14.97**	**115,484,802**	**100.00**	**34,221,881**	**29.63**
(2)	**Foreign**						
(a)	Individuals (Non-Resident Indian/Foreign Individuals)	0	0.00				
(b)	Foreign government	0	0.00				
(c)	Institutions	0	0.00				
(d)	Foreign Portfolio Investors	0	0.00				
(e)	Any Other						
	a) BRE Mauritius Investments - Sponsor (Body Corporate)	93,610,755	12.13	77,431,534#*	82.72	0	0.00
	b) Sponsor Group (Bodies Corporate)	333,152,833	43.17	0*	0.00	331,991,780	99.65
	Sub-Total (A) (2)	**426,763,588**	**55.30**		**82.72**	**331,991,780**	**99.65**
	Total unit holding of Sponsor & Sponsor Group (A) = (A)(1) + (A)(2)	**542,248,390**	**70.27**	**192,916,336#***			

Pursuant to Regulation 11(3)(a) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, the sponsors and sponsor group are required to collectively hold a minimum of 25% of the total units of the REIT after initial offer on a post-issue basis for a period of three years. Embassy Property Developments Private Limited (Sponsor) holds 14.97% and BRE/Mauritius Investments ("Blackstone Sponsor") (Sponsor) holds 10.03% of total outstanding units (together constituting the minimum holding of 25%).

*The balance 349,332,054 units held by the Blackstone Sponsor and Blackstone Sponsor Group, constituting 45.27% of total outstanding units, were locked-in for a period of one year from the date of listing of the units, i.e. until March 31, 2020.

Category	Category of Unit holder	No. of Units Held	As a % of Total Out- standing Units
(1)	**Institutions**		
(a)	Mutual Funds	2,161,800	0.28
(b)	Financial Institutions/Banks	-	0.00
(c)	Central/State Govt.	-	0.00
(d)	Venture Capital Funds	-	0.00
(e)	Insurance Companies	1,827,000	0.24
(f)	Provident/pension funds	238,800	0.03
(g)	Foreign Portfolio Investors	126,316,000	16.37
(h)	Foreign Venture Capital Investors	-	0.00
(i)	Any Other:- Alternative Investment Fund	604,000	0.08
	Sub-Total (B) (1)	**131,147,600**	**17.00**
(2)	**Non-Institutions**		
(a)	Central Government/State Governments(s)/President of India	-	0.00
(b)	Individuals	90,961,307	11.79
(c)	NBFCs registered with RBI	1,286,000	0.17
(d)	Any Other (specify)		
i.	Trusts	12,600	0.00
ii.	Non-Resident Indians	841,000	0.11
iii.	Clearing Members	82,224	0.01
iv.	Body Corporates	5,086,222	0.66
	Sub-Total (B) (2)	**98,269,353**	**12.73**
	Total Public Unit holding (B) = (B)(1)+(B)(2)	**229,416,953**	**29.73**
	Total Units Outstanding (C) = (A) + (B)	**771,665,343**	**100.00**

Meetings of the Unitholders

i. During the year ended March 31, 2020, the first annual meeting of the Unitholders of the Embassy REIT was held on Thursday July 25, 2019 at 2.30 p.m. at Coronet Hall, Le Meridien Hotel, Bengaluru, India. The necessary quorum was present for the meeting.

ii. The following items were *inter alia* considered at the said annual meeting of the Unitholders:

- Taking note of the audited special purpose condensed combined financial statements for the year ended March 31, 2019 and audited standalone financial statements for the year ended March 31, 2019 of the Embassy REIT;
- Appointment of the statutory auditors of the Embassy REIT and fixing their remuneration;
- Appointment of the valuer for the Embassy REIT.

Investor complaints

Details of investor complaints received and redressed during the year ended March 31, 2020 are as follows:

Opening Balance	Received during the year ended March 31, 2020	Resolved during the year ended March 31, 2020	Closing Balance
Nil	Nil	Nil	Nil

Company Secretary and Compliance Officer

Ramesh Periasamy

Royal Oaks, Embassy Golf Links Business Park,
Off Intermediate Ring Road,
Bengaluru, Karnataka – 560 071.

Statutory Auditors

S. R. Batliboi & Associates LLP (ICAI Firm Registration No.: 101049W/E300004) Chartered Accountants, having their office at 12th Floor, “UB City”, Canberra Block No. 24, Vittal Mallya Road, Bengaluru - 560 001 have been appointed as the Statutory Auditors of the Embassy REIT for a term of five consecutive years from the financial year 2019–20.

Registrar and Transfer Agent

Name and Address: Kfin Technologies Private Limited (formerly Karvy Fintech Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, India
Telephone : +91 40 6716 2222
Fax : +91 40 2343 1551
E-mail : hariprasad.an@karvy.com
Website : http://www.kfintech.com

Publications

The information required to be disclosed to the stock exchanges (including to financial results, press releases and presentations made to the investors) have been duly submitted to the National Stock Exchange of India Limited and BSE Limited as well as uploaded on Embassy REIT’s website.

Market price data:

High, Low (based on daily closing prices) and the number of REIT Units traded during each month for the year ended March 31, 2020 on the BSE and NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Total Number of REIT Units Traded	High (₹)	Low (₹)	Total Number of REIT Units Traded
April, 2019	352.00	300.00	802,400	349.20	308.00	8,860,800
May, 2019	357.50	320.10	221,200	356.00	320.50	11,560,400
June, 2019	380.00	345.05	3,325,915	382.45	345.00	6,366,800
July, 2019	384.00	356.10	251,600	383.96	354.50	7,788,000
August, 2019	400.00	355.00	134,800	395.00	355.00	5,514,000
September, 2019	435.00	377.00	1,230,400	416.00	370.00	11,810,800
October, 2019	450.00	396.17	2,650,800	443.40	396.60	7,180,400
November, 2019	462.00	389.30	2,293,000	462.00	390.12	14,886,400
December, 2019	451.85	412.11	781,400	450.99	413.05	7,211,200
January, 2020	434.00	360.50	1,689,200	428.72	351.00	5,443,800
February, 2020	457.80	365.00	288,600	458.84	390.00	3,253,800
March, 2020	518.00	301.00	1,362,000	512.00	301.35	8,664,400

Transfer of Units:

The Embassy REIT’s Units are in dematerialised form and transfers of Embassy REIT’s Units are effected through the depositories.

Statutory Disclosures

1 Business & Financial Summary

a) Manager's brief report on the activities of the REIT:

Embassy REIT was settled 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 March 30, 2017 as amended on September 11, 2018. The Sponsors of Embassy REIT are Embassy Property Developments Private Limited ("Embassy Sponsor") and BRE/Mauritius Investments ("Blackstone Sponsor"). For further details please refer to pages 44-45 of this report.

Embassy REIT owns a high-quality office portfolio comprising of seven best-in-class office parks and four prime city center office buildings totalling 33.3 msf as of March 31, 2020. For further details on the properties please refer to pages 58-87 of this report.

Embassy REIT was listed on the BSE and NSE on April 1, 2019 after an initial public offering that was oversubscribed by 2.6 times.

With respect to the year ended March 31, 2020 our updates on Commercial offices, Development and Hospitality are set forth on pages 26-29 respectively.

The NAV of Embassy REIT as on March 31, 2020 was ₹ 374.64 basis the valuation report enclosed with this report on pages 302-341.

With respect to trading price, kindly refer to page 129 of this report.

Summary of the audited Standalone and Consolidated Financial Statements

Please refer to pages 158-299 of this report.

2 Management discussion and analysis by the directors of the manager on activities of the REIT during the year, forecasts and future course of action

Please refer to pages 99-113 of this report.

3 Brief details of all the assets of the REIT including a break-up of real estate assets and other assets, location of the properties, area of the properties, current occupiers (not less than top 10 occupiers as per value of lease), lease maturity profile, details of under-construction properties, if any, etc.

a. Real estate assets and other assets

Please refer to pages 58-87 of this report

b. Location of the properties

Please refer to pages 58-87 of this report

c. Area of the properties

Please refer to pages 58-87 of this report

d. Current occupiers (top 10 occupiers as per value of lease) and lease maturity profile

The top 10 occupiers of each of the Asset SPVs as per the value of the lease (in alphabetical order) are tabled below:

Name of the Asset SPV	Name of the Occupier
Vikhroli Corporate Park Private Limited-247 Tech park	• Accelya Kale Solutions Limited
	• DHL Global Forwarding Freight Shared Services (India) LLP
	• Future Retail Limited
	• Gravitas Technology Private Limited
	• ICICI Lombard General Insurance Company Limited
	• Link Intime India Private Limited
	• Oppo Mobiles India Private Limited
	• Trendsutra Platform Services Private Limited
	• Vistra International Expansion (India) Private Limited
	• We Work India Management Private Limited
Embassy One-Four Seasons	• Korea Trade-Investment Promotion Agency
	• The State of The Netherlands
Indian Express Newspapers (Mumbai) Pvt. Ltd.	• Blackstone Advisors India Private Limited
	• DBS Bank India Limited
	• ECGC Limited
	• ENAM Holdings Private Limited
	• JBF Industries Limited
	• McKinsey & Company, Inc.
	• Proteus Ventures LLP
	• Shardul Amarchand Mangaldas & Co.
	• The Indian Hotels Company Limited
	• Warburg Pincus India Private Limited

Name of the Asset SPV	Name of the Occupier
Earnest Towers Private Limited	• Executive Centre India Private Limited
	• FIFC Condominium
	• Google Cloud India Pvt. Ltd.
	• Google India Private Limited
	• Impresario Entertainment and Hospitality Private Limited
	• Kasa Food works
	• Massive Restaurants Private Limited
	• McKinsey & Company India LLP
	• Mirah Hospitality and Gourmet Solutions Private Limited
	• Oracle India Private Limited
	• Pernod Ricard India Private Limited
Galaxy Square Private Limited	• DXC Technology India Private Limited
	• Elixir Softech Private Limited
	• Esaote Asia Pacific Diagnostic Private Limited
	• Fiserv India Private Limited
	• HDFC Bank Limited
	• Jubilant Foodworks Limited
	• Mitel Communications Private Limited
	• Next Gen Services
	• Tata Consultancy Services Limited
	• Xylem Water Solutions Private Limited

Name of the Asset SPV	Name of the Occupier
Oxygen Business Park Private Limited	• Devyani International Limited
	• ExlService.com (India) Private Limited
	• GlobalLogic India Private Limited
	• Jubilant Foodworks Limited
	• Maxwell Food & Beverages India
	• Newgen Software Technologies Limited
	• NTT Data Information Processing Services Private Limited
	• One World Retail
	• Optum Global Solutions (India) Private Limited
	• Sapient Consulting Private Limited
Quadron Business Park Private Limited	• Barclays Global Service Centre Private Limited
	• Cognizant Technology Solutions India Private Limited
	• E-CLERX Services Limited
	• Glow Energy
	• Humane Business Intelligence Technology Solutions Private Limited
	• Jubilant Foodworks Ltd.
	• Reliance Jio Infocomm Limited
	• Storybook Ventures Pvt. Ltd.
	• Vodafone Idea Limited

Name of the Asset SPV	Name of the Occupier
Qubix Business Park Private Limited	• Accenture Services Private Limited
	• Aker Powergas Subsea Private Limited
	• Cisco Systems (India) Private Limited
	• Crisil Limited
	• HCL Technologies Limited
	• KPIT Cummins Infosystems Limited
	• Larson & Toubro Infotech Limited
	• Persistent Systems Limited
	• Sciformix Technologies Private Limited
	• Tata Technologies Limited
Manyata Promoters Private Limited	• Alcatel-Lucent India Limited
	• ANSR Global Corporation Private Limited
	• Cerner HealthCare Solutions India Private Limited
	• Cognizant Technology Solutions India Private Limited
	• IBM India Private Limited
	• Legato Health Technologies LLP
	• Lowe's Services India Private Limited
	• Nokia Solutions & Networks India Private Limited
	• Nvidia Graphics Private Limited
	• Target Corporation India Private Limited

Name of the Asset SPV	Name of the Occupier
Embassy Office Parks Limited	• Access Healthcare Services Private Limited
	• Flextronics Technologies (India) Private Limited
	• IBM India Private Limited
	• Infosys BPM Limited
	• Larsen & Toubro Infotech Limited
	• Mercedes-Benz Research and Development India Private Limited
	• Nice Interactive Solutions India Private Limited
	• Nitor Infotech Private Limited
	• State Street HCL Services (India) Private
	• Tech Mahindra Limited

Additionally, for the top 10 occupiers of Embassy REIT, please refer to page 21 of this report.

For the lease maturity profile of each Asset SPV, please refer to pages 24 and 27 of this report.

e) Details of under-construction properties, if any, etc.

Please refer page 25 of this report

4 Brief summary of the full valuation report as at the end of the year

Please refer to pages 302-341 of this report

5 Details of changes during the year pertaining to:

a) Addition and divestment of assets including the identity of the buyers or sellers, purchase/ sale prices and brief details of valuation for such transactions

Embassy Property Developments Private Limited ("EPDPL") and Manyata Promoters Private Limited ("MPPL") have previously entered into arrangements where under 997,057 (Nine Hundred and Ninety Seven Thousand and Fifty Seven) square feet of commercial office space ("M3 Project") is being developed on land measuring 6 acres 25.46 guntas in Survey Nos. 39/1, 40/6, 35/3A, 39/2B, 35/2, 37/1 and 40/3, situated at Rachenahalli Village, Krishnarajapura Hobli, Bengaluru East Taluk, Bengaluru ("Project Land"). The Project Land is within a notified special economic zone, owned by EPDPL and leased to MPPL for an initial term of 30 (thirty) years, which is renewable for successive periods of 30 (thirty) years.

In furtherance to the existing M3 Project, the Board of the Manager of the Embassy REIT, by way of a circular resolution dated December 30, 2019, approved an arrangement between MPPL, an Asset SPV of Embassy REIT and EPDPL, a sponsor of Embassy REIT to co-develop and acquire leasable area of 597,789 sft in Block B of the existing M3 Project ("M3 Block B") located within the overall Embassy Manyata Business Park campus (an existing asset of Embassy REIT) situated at Rachenahalli Village, Krishnarajapura Hobli, Bengaluru "Bengaluru East, at a 9.25% yield upon" development completion within an estimated timeline of 39 (thirty nine) months from the execution of definitive documents i.e. March 31, 2023. The Board also approved the appointment of EPDPL to market and lease the M3 Block B as part of the transaction.

Significant terms of the transaction	The transaction is proposed to be completed within an estimated timeline of 39 (thirty nine) months (i.e. March 31, 2023) from the date of execution of the definitive agreements for an estimated aggregate consideration of ₹ 736.73 crore. The final acquisition cost will be determined upon completion of the building and lease-up basis actual achieved rent. The acquisition cost is to be funded through additional debt financing obtained by MPPL and would be paid in tranches linked to agreed milestones (including acquiring transferable development rights by EPDPL).	
Other details of the transaction	The transaction is a related party transaction. The transaction has been undertaken on an arms' length basis. Further, the proposed transaction is a related party transaction as per Regulation 19 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014. The value of the proposed transaction and all other related party transactions entered into by Embassy REIT in the financial year was less than 10% of the value of REIT assets. Accordingly, approval from the Unitholders was not required for the proposed transaction.	
Brief details of valuation	Brief summary of valuation from the valuation report of Mr. Anuj Kumar (and value assessment services provided by Jones Lang LaSalle Property Consultants (India) Pvt. Ltd.);	
	Purpose of Valuation	Acquisition purpose as indicated by the Client
	Interest Valued	Co-Development Rights
	Date of Valuation	December 30, 2019
	Date of Inspection	November 4, 2019 and December 18, 2019
	Date of Valuation Report	December 30, 2019
	Currency	Indian National Rupees (₹)
	Prepared by	Mr. Anuj Kumar and Jones Lang LaSalle Property Consultants (India) Private Limited
	Statement of Assets	Based on the information provided by the Client, the area details for the proposed additional area is 597,789 sq. ft. and the same in considered in this assessment.
	Guideline Value/Ready Reckoner Rate	• Land Rate: ₹ 78,200 per sqm • Built-Up Rate: ₹ 62,800 per sqm
	Opinion on Market Value of the Project on Completed basis	₹ 8,793.24 million
	Aspects, which may Affect the Market Value	The Value assessed is contingent on the buildability of the proposed additional area on the larger M3 land

Brief details of valuation	Assumptions, Qualifications, Limitations and Disclaimers	The assessment and opinion on Market Value is subject to assumptions, qualifications, limitations and disclaimers detailed in the Valuation Report, which are made in conjunction with those included under the Section 1.7 of the Valuation Report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgment and understanding of these statements. The assessment and opinion on Market Value is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this assessment and opinion on Market Value. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Project.
	Brief summary of valuation from the valuation report of Mr. Manish Gupta, Partner, iVAS Partners (and value assessment services provided by CBRE South Asia Pvt. Ltd.);	
	Property:	Subject property – Proposed Additional Area - M3 Project Phase II, Embassy Manyata, located in Outer Ring Road, Nagavara, Bengaluru, Karnataka
	Property Address:	Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka
	Land Area:	Based on review of the title report (prepared by King & Partridge, dated November 8, 2019 for M3 Block), the Valuer understands that the total land area of the subject property is approximately 6.636 Acres
	Client:	Embassy Office Parks Management Services Private Limited (in its capacity as Manager to the Embassy Office Parks REIT)
	Registered Owner:	Based on the inputs provided by the Client, the Valuer understands that the subject property is under the ownership of Embassy Property Developments Private Limited (EPDPL)
	Purpose:	Acquisition Purpose
	Interest Valued:	Co-development rights (based on review of the term sheet between Client and EPDPL)
	Basis of Valuation:	Market Value
	Town Planning:	The subject property is zoned for "Industrial Hi-tech" use and same has been adopted for the purpose of the valuation exercise. Further, the subject property is located along the mutation corridor (viz. Outer Ring Road), thereby allowing flexibility on the land use.

Brief details of valuation	Brief Description:	The subject property is proposed to be part of the second largest commercial office asset in India (in terms of scale), largest in Bengaluru and is a landmark in North Bengaluru. The property is accessible through the internal road within the larger development emanating from Nagavara Outer Ring Road. Further, the subject development is strategically located in proximity to micro-markets of Thanisandra & Hennur Road which are amongst the fastest developing vectors in North Bengaluru. The Nagavara Outer Ring Road, connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer Ring Road, Old Madras road, etc. Further, it is located at a distance of 1-2 km from Nagavara Junction, 3-4 km from Hebbal Junction, 7-8 km from Yelahanka Junction, 11-14 km from MG Road (CBD) and 29-31 km from Kempegowda International Airport. As per information provided by the Client and the Co-developer agreement, it is understood that the leasable area for Block M3 is 997,057 sft. However, the Client intends to revise the leasable area of Block M3 with an additional area of 597,789 sft and this incremental area is considered as part of this valuation exercise. Further, as per information provided by the Client, it is understood that the above additional area will be acquired as part of Transferable Development Rights (TDR) and the cost towards the same has been factored as part of this appraisal.
	Statement of Assets (sf):	Based on information provided by the Client & Architect certificates, the area details for the proposed additional area is 597,789 sft and the same in considered for this valuation exercise.
	Valuation Approach:	Income Approach – Discounted Cash Flow Method
	Date of Valuation:	As per instruction from the Client, the date of assessment of cash flows is as of September 30, 2019 and the value is opined “As-if Completed”. Based on review of the term sheet between Client and EPDPL, the Valuer understands that the proposed acquisition is for the asset to be acquired on an as completed basis. Accordingly, no development cost has been adopted as part of this valuation. Additionally, the proposed completion (viz. obtaining of occupancy certificate) is expected to be Q2, CY 2023 and the rental adopted for the purpose of this valuation is keeping in purview that date. Should the completion be before or after the date, the same would result in a change to the valuation.
	Date of Inspection:	October 31, 2019
	Date of Report:	December 30, 2019
	Purchase Price for the property:	NA
	Ready Reckoner Rate (as per documents published by State Government):	Land Rate: ₹ 78,200 per sqm of land area Built-up Rate: ₹ 62,800 per sqm of covered area

Brief details of valuation	Assessed Value:	The assessed value for the subject property is highlighted below • Value as if completed – ₹ 8,664 million
	Any matters which may affect the property or its value	The Value assessed is contingent on the build ability of the proposed additional area on the larger M3 land
	The detailed valuation reports are available at the investor relations page of Embassy REIT website (www.embassyofficeparks.com).	

MPPL has executed Co-Developer Agreement, Development Management Agreement and Marketing Services Agreement with EPDPL on December 30, 2019 (Definitive Documents) to acquire leasable area of 597,789 sft and as per the timeline set out in the Definitive Documents, MPPL has paid the first tranche of development consideration to EPDPL as per the Definitive Documents.

Further, MPPL has obtained a fairness opinion from Duff & Phelps opining that cap rate and interest rate spreads are financially fair.

b) Valuation of assets (as per the full valuation reports) and NAV

Please refer to pages 302-341 of this report for Gross Asset Valuation and page 217 for NAV respectively.

6. Details of changes during the year pertaining to:

a) Letting of assets, occupancy, lease maturity, key occupiers, etc.

Please refer to pages 26-27 of this report with respect to the new leases for the year ended March 31, 2020. The occupancy of Embassy REIT as of March 31, 2020 was 92.8% as against the occupancy of 94.3% as of the start of this year. The WALE of Embassy REIT is set forth on page 24. The current list of key occupiers is set forth on pages 20-21.

b) Borrowings/repayment of borrowings (standalone and consolidated)

Please refer to pages 191-192 and 204 of this report with respect to borrowings on a standalone basis as on March 31, 2020 and pages 257-260 of this report with respect to borrowings on a consolidated basis, as on March 31, 2020.

Please refer to pages 257-260 of this report with respect to repayment of borrowings on a consolidated basis, as on March 31, 2020. On the standalone basis, as on March 31, 2020, the repayment of borrowings was NIL.

c) Sponsors, manager, trustee, valuer, directors of the trustee/ manager/ sponsor, etc.

There was no change in the Sponsors, Manager and Trustee during the year ended March 31, 2020. Mr. Manish Gupta, partner, iVAS Partners, has been appointed as the valuer of Embassy REIT pursuant to a resolution passed by circulation on June 28, 2019 and approved by the Unitholders at their annual meeting held on July 25, 2019. CBRE South Asia Private Limited was the valuer as on March 31, 2019 and has currently been appointed to provide value assessment services to Embassy REIT.

The below table indicates the change of Directors in Trustee/ Manager/ Sponsor for the year ended March 31, 2020

Entity	Nature of Change
Axis Trustee Services Limited ("TRUSTEE") 1. Mr. Ganesh Sankaran 2. Mr. Ram Bharoseylal Vaish	Appointed as Non -Executive Director (nominated By Axis Bank Limited) Resigned as Director
Embassy Office Parks Management Services Private Limited ("MANAGER") 1. Mr. Asheesh Mohta	Appointed as Alternate Director to Mr. Robert Christopher Heady
Embassy Property Developments Private Limited ("Embassy Sponsor")	No change in the Composition of Directors
BRE/Mauritius Investments ("Blackstone Sponsor")	No change in the Composition of Directors

d) Clauses in trust deed, investment management agreement or any other agreement entered into pertaining to activities of REIT

Not Applicable

e) Any other material change during the year

Not Applicable

7 Update on development of under-construction properties, if any

Please refer to page 25 of this report.

8 Details of outstanding borrowings and deferred payments of REIT including any credit rating(s), debt maturity profile, gearing ratios of the REIT on a consolidated and standalone basis as at the end of the year

Please refer to page 109 of this report.

9 Debt maturity profile over each of the next 5 years and debt covenants, if any

Please refer to pages 109 and 257-260 of this report.

10 The total operating expenses of the REIT, including all fees and charges paid to the manager and any other parties, if any during the year

Please refer to pages 265 and 282-283 of this report .

11 Past performance of the REIT with respect to unit price, distributions and yield for the last 5 years, as applicable and Unit price quoted on the Designated Stock Exchanges at the beginning and end of the financial year, the highest and lowest unit price and the average daily volume traded during the financial year.

Embassy REIT Trading Snapshot

Key Statistics		NSE	BSE
Unit price			
Listing: April 1, 2019	₹	300.00	300.00
Opening as of April 1, 2019	₹	308.00	300.00
Closing as of March 31, 2020	₹	350.74	351.51
52-week high	₹	512.00	518.00
52-week low	₹	301.35	300.00
Market capitalisation			
₹ billion		270.65	271.25
Average daily trading volume (ADTV)			
Units		398,951	60,856
₹ million		154.99	24.06

Source: NSE (Designated stock exchange) and BSE as of March 31, 2020 since listing

12 Related party transactions

a) Refer to pages 286-288 of this report which contains details of all related party transactions entered into by the Embassy REIT and its Asset SPVs during the year ended March 31, 2020 (excluding transactions between Embassy REIT and its Asset SPVs which are eliminated on consolidation).

b) Refer to pages 197-199 of this report which contains details of all related party transactions entered into by Embassy REIT including monies lent by Embassy REIT to its holding Company and its SPVs.

13 Details of fund-raising during the year

The Debenture Committee of the Board of Directors of the Manager of Embassy REIT has approved the issue of rupee denominated, listed, rated, secured, redeemable, non-convertible debentures by Embassy REIT on a private placement basis for an aggregate amount of ₹36,500,000,000/- (Rupees Three Thousand Six Hundred and Fifty crore only) split into Two Tranches i.e. Tranche A and Tranche B wherein Tranche A shall be for an aggregate amount of ₹30,000,000,000/- (Rupees Three Thousand crore only) and Tranche B shall be for an aggregate amount of ₹ 6,500,000,000/- (Six Hundred and Fifty crore only) on April 23, 2019.

Further on May 3, 2019, the Debenture Committee of the Board of Directors of the Manager of Embassy REIT has approved the allotment of 30,000 Secured Non-Convertible Debentures of ₹1,000,000/- (Rupees Ten Lakh only) each aggregating to ₹30,000,000,000/- (Rupees Three Thousand Crore only) on a private placement basis under Tranche A as per the terms and conditions as mentioned in the Information Memorandum for the said issue.

Further on November 22, 2019, the Debenture Committee of the Board of Directors of the Manager of Embassy REIT has approved the allotment of 6,500 Secured Non-Convertible Debentures of ₹1,000,000/- (Rupees Ten Lakh only) each aggregating to ₹6,500,000,000/- (Rupees Six Hundred Fifty Crore only) on a private placement basis under Tranche B as per the terms and conditions as mentioned in the Information Memorandum for the said issue.

The above-mentioned Non-Convertible Debentures were listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

14 Brief details of material and price sensitive information

Not applicable

15 Brief details of material litigations and regulatory actions which are pending against the REIT, sponsor(s), manager or any of their associates and sponsor group(s) and the trustee if any, as at the end of the year

Please see section on Legal and Other information.

16 Risk factors

Risk Factors-Embassy Office Parks REIT

Risk related to our organisation and structure

1. The Portfolio has certain liabilities, which liabilities if realised may impact the trading price of the units, our profitability and our ability to make distributions.

2. We have incurred external debt at Embassy REIT level. Additionally, we may incur further debt and a significant amount of such future debt may be utilised in the operation and development of our business. Consequently, our cash flows and operating results could be adversely affected by required repayments or related interest and other risks of our debt financing. Our inability to service debt may impact distributions to Unitholders.

3. We do not provide any assurance or guarantee of any distributions to the Unitholders. We may not be able to make distributions to Unitholders and the level of distributions may decrease. Our historical distributions may not be indicative of future distributions.

4. The REIT Regulations impose restrictions on the investments made by us and require us to adhere to certain investment conditions, which may limit our ability to acquire and/or dispose of assets or explore new opportunities. Further, the regulatory framework governing real estate investment trusts in India is new and untested.

5. The holding and financing structure of the Portfolio may not be tax efficient.

Risks Related to our business and industry

1. Our business is dependent on the Indian economy and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have a material adverse effect on our business.

2. Our business, financial condition, cash flows and results of operations and the trading price of our units have been and may continue to be adversely impacted by the outbreak of and the resulting disruptions caused by the coronavirus disease 2019 (COVID-19) pandemic. In the financial year ended March 31, 2020, it has adversely impacted our occupiers and our rental income during the month of March 2020 and may continue to do so for the next few months. It may adversely impact the ability of our SPVs to pay dividends or service debt payments (including to the REIT) and the ability of the REIT to service debt at its level and may adversely impact our NAV, NDCF and distributions to Unitholders. The spread of COVID-19 has led to disruption, uncertainty and volatility in the Indian and global markets, which may adversely affect our ability to access the equity and debt markets, cost of capital and liquidity.

3. We have a limited operating history and may not be able to operate our business successfully or generate sufficient cash flows to make or sustain distributions.

4. A significant portion of our revenues are derived from a limited number of large occupiers, occupiers in the technology sector and from a few integrated office parks. Any conditions that impact these occupiers, the technology sector or parks may adversely affect our business, revenue from operations and financial condition.

5. Occupier leases across our Portfolio are subject to the risk of non-renewal, non-replacement or early termination. Further, vacant properties could be difficult to lease, which could adversely affect our revenues.

6. Our business and profitability are dependent on the performance of the commercial real estate market in India generally and any fluctuations in market conditions may have an adverse impact on our financial condition.

7. The Independent Auditor's Report on projections of revenue from operations, net operating income, earnings before interest, tax, depreciation and amortisation, cash flow from operating activities and net distributable cash flows (if any) and the underlying assumptions contain restrictions with respect to the purpose of the report and, use of the report by investors in the United States.

8. As GLSP does not qualify as an Asset SPV under the REIT Regulations, it is not required to comply with the mandatory distribution requirements under the REIT Regulations.

9. The valuation reports obtained for our Portfolio are based on various assumptions and may not be indicative of the true value of our assets.

10. We may be required to record significant changes to the earning in the future when we review our Portfolio for potential impairment.

11. Our contingent liability could adversely affect our financial condition, results of operations and cash flows.

12. We rely on third party operators to successfully operate and manage certain Portfolio Assets. Our results of operations may be adversely affected if we fail to effectively oversee the functioning of third-party operators.

13. Compliance with, and changes in, applicable laws (including without limitation environmental laws and regulations) could adversely affect the development of our properties and our financial condition.

14. If we are unable to maintain relationships with other stakeholders in our Portfolio, our financial conditions and results of operation may be adversely affected.

15. We may incur losses as a result of unforeseen or catastrophic events, including the emergence of pandemics, terrorist attacks, extreme weather events, natural disasters or other widespread health emergencies that could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair/impact our ability to manage our businesses.

16. We are exposed to a variety of risks associated with safety, security and crisis management.

17. We may be unable to successfully grow our business in new markets in India, which may adversely affect our growth, business prospects, results of operations and financial condition.

18. We may be adversely affected if the Asset SPVs and Investment Entity are unable to obtain, maintain or renew all regulatory approvals that are required for their respective business.

19. Some of our Portfolio Assets are located/has been historically located on land leased from the Government of Maharashtra, MMRDA, MIDC and NOIDA. The relevant Asset SPVs are required to comply with the terms and conditions provided in the respective lease agreements with such government bodies, failing which MMRDA, MIDC or NOIDA, as the case may be, may, impose penalties, terminate the lease or take over the premises.

20. We have entered into material related party transactions, the terms of which may be unfavorable to us or could involve conflicts of interest. The Manager may face conflicts of interests in choosing our service providers, and certain service providers may provide services to the Manager, Embassy Sponsor or the Blackstone Sponsor Group on more favourable terms than those payable by us.

21. Our solar operations are dependent on the regulatory and policy environment affecting the renewable energy sector in India.

22. Our Asset SPVs and the Investment Entity are subject to ongoing compliance requirements under various laws, and there have been certain past instances of non-compliance.

23. Some of our Portfolio Assets are located on land notified as SEZs and the Asset SPVs are required to comply with the SEZ Act and the rules made thereunder.

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

25. There can be no assurance that we will be able to successfully complete future acquisitions or efficiently manage the assets we have acquired or may acquire in the future. Further, any of our acquisitions in the future may be subject to acquisition related risks.

26. There may be conflicts of interests between the Manager, Embassy Sponsor, the Blackstone Sponsor Group, the Blackstone Sponsor, the Trustee and/or their respective associates/affiliates.

27. We may not be able to successfully meet working capital or capital expenditure requirements of our Portfolio Assets due to the unavailability of funding on acceptable terms

28. We may invest in under construction real estate projects which may be adversely affected by delay in completion and cost overruns.

29. The audit report of our Statutory Auditors on the Consolidated Financial Statements may contain certain qualifications and matters of emphasis.

30. Our Portfolio Assets and the Investment Entity may be subject to increases in direct expenses and other operating expenses. Renovation work, repair and maintenance or physical damage to the Portfolio Assets and/or the assets of the Investment Entity may disrupt our operations and collection of rental income or otherwise result in an adverse impact on our financial condition and results of operation.

31. We may be subject to certain restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. The terms of such financing may limit our ability to make distributions to the Unitholders.

32. The Blackstone Sponsor has not entered into a deed of right of first offer in respect of any assets operated by the Blackstone Sponsor Group or other entities of the Blackstone Sponsor Group which could lead to potential conflicts of interest.

33. The ROFO Deed entered into with Embassy Sponsor is subject to various terms and conditions.

34. The brand "Embassy" is owned by Embassy Shelters Private Limited and licensed to us. Our license to use the "Embassy" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired. Further, for certain other Asset SPVs, we do not have registered trademarks in the name of the relevant SPVs.

35. We operate in a highly competitive environment and increased competitive pressure could adversely affect our business and the ability of the Manager to execute our growth strategy.

36. We may not able to maintain adequate insurance to cover all losses we may incur in our business operations.

37. There is outstanding litigation and regulatory actions involving Embassy Sponsor and its Associate that may adversely affect our business.

38. Our business may be adversely affected by the illiquidity of real estate investments .

39. Lease deeds with some of our occupiers are not adequately stamped or registered, and consequently, we may be unable to successfully litigate over the said agreements in the future and penalties may be imposed on us.

40. Security and IT risks may disrupt our business, result in losses or limit our growth.

41. Foreign Account Tax Compliance withholding may affect payments on the Units for investors.

42. We expect to be classified as a passive foreign investment Company for U.S. federal income tax purposes, which could result in materially adverse U.S. federal income tax consequences to U.S. investors in our Units.

Risks related to our relationships with the Sponsors and the Manager

1. We and parties associated with us are required to maintain the eligibility conditions specified under Regulation 4 of the REIT Regulations as well as the Certificate of Registration on an ongoing basis. We may not be able to ensure such ongoing compliance by Embassy Sponsor, the Blackstone Sponsor, the Manager, the Blackstone Sponsor Group and the Trustee, which could result in the cancellation of our registration.

2. Our Sponsors will be able to exercise significant influence over certain of our activities and the interests of the Sponsors may conflict with the interests of other Unitholders or the interests of the Sponsors may conflict with each other.

3. Conflicts of interest may arise out of common business objectives shared by the Manager, Embassy Sponsor, the Blackstone Sponsor, the Blackstone Sponsor Group and us.

4. Certain principals and employees may be involved in and have a greater financial interest in the performance of other real estate investments, projects and businesses of Embassy Group or Blackstone and such activities may create conflicts of interest in making investment decisions on our behalf.

5. We depend on the Manager and its personnel for our success. We may not find a suitable replacement for the Manager if the Investment Management Agreement is terminated or if key personnel cease to be employed by the Manager or otherwise become unavailable to us.

6. We depend on the Manager to manage our business and assets, and our results of operations, financial condition and ability to make distributions may be harmed if the Manager fails to perform satisfactorily, for which our recourse may be limited.

Risks related to India

1. Due to the REIT Regulations, it may be difficult for public Unitholders to remove the Trustee as Embassy Sponsor and the Blackstone Sponsor Group collectively hold a majority of the Units.

2. Our performance is linked to the stability of policies and the political situation in India.

3. Any downgrading of India's sovereign debt rating by a domestic or international rating agency could materially and adversely affect our ability to obtain financing and, in turn, our business and financial performance.

4. Significant differences exist between Ind AS and other accounting principles, such as IFRS, Indian GAAP and U.S. GAAP which may be material to your assessment of our financial condition, results of operations and cash flows.

5. It may not be possible for Unitholders to enforce foreign judgements.

6. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations and growth prospects.

7. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.

8. Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate.

9. We may be subject to the Competition Act, which may require us to receive approvals from the Competition Commission of India (CCI) prior to undertaking certain transactions.

10. Our ability to raise funding is dependent on our ability to raise capital through a fresh issue of Units and or our ability to raise debt on acceptable terms. Further, debt securities issued by us may not qualify as eligible securities that can be held by certain types of investors, and certain lenders may be unable to extend loans to us due to regulatory and other restrictions, which may make it more difficult for us to raise funds and may increase the cost of borrowings.

Risks related to the ownership of the Units

1. Trusts such as us may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.

2. We are subject to ongoing reporting requirements as a listed entity. These reporting requirements and other obligations of real estate investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protections granted to Unitholders may be more limited than those made to or available to the shareholders of a Company that has listed its equity shares upon a recognised stock exchange in India.

3. Fluctuations in the exchange rate of the Indian Rupee with respect to other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.

4. Unitholders are unable to request for the redemption of their Units.

5. Embassy REIT does not have any similar and comparable listed peer which is involved in the same line of business for comparison of performance and, therefore, investors must rely on their own examination of Embassy REIT for the purpose of investment.

6. The Units may experience price and volume fluctuations and there may not be an active or liquid market for the Units.

7. There can be no assurance on the trading price of the Units and the price of the Units may decline.

8. Any future issuance of Units by us or sale of Units by Embassy Sponsor, Blackstone Sponsor Group or any of other significant Unitholders may materially and adversely affect the trading price of the Units.

9. Our rights and the rights of the Unitholders to recover claims against the Manager or the Trustee are limited.

10. NAV per Unit may be diluted if further issues are priced below the current NAV per Unit.

11. Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Manager and us.

17 Information of the contact person of the REIT

Mr. Ramesh Periasamy
Company Secretary & Compliance Officer
Royal Oaks, Embassy GolfLinks Business Park,
Off Intermediate Ring Road, Bengaluru – 560 071
Tel.: +9180 3322 2222 Fax: +9180 3322 2223

Compliance under FEMA

Embassy REIT has complied with the conditions prescribed for downstream investment in accordance with the applicable provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Auditor's report

Please refer to pages 158-163 and 206-211 of this report.

Legal and Other Information

This section discloses all outstanding material litigation and regulatory action against the Embassy REIT, the Sponsors, the Manager, their respective Associates, the Blackstone Sponsor Group and the Trustee (the "Relevant Parties"). Details of all outstanding regulatory actions and criminal matters against the Relevant Parties have been disclosed. Only such outstanding civil/commercial matters against the Relevant Parties have been disclosed where amounts involved are in excess of the materiality thresholds disclosed below. All property tax, direct tax and indirect tax matters against the Relevant Parties have been disclosed in a consolidated manner.

"Associates" of a person shall be as defined under the Companies Act, 2013, or under applicable accounting standards, and shall also include: (i) any person directly or indirectly controlled by the said person; (ii) any person who directly controls the said person; (iii) where the said person is a Company or a body corporate, any person(s) who is designated as a promoter of the Company or body corporate and any other Company or body corporate and any other Company or body corporate with the same promoter; and (iv) where the said person is an individual, any relative of the individual. With respect to the Manager and the Sponsors, only entities which directly control the Sponsors or the Manager, as applicable, have been considered under (ii).

I. Material title litigation pertaining to Portfolio

For the purpose of this section, details of all pending material title litigation pertaining to the Portfolio have been disclosed. Other than as disclosed below, there are no pending material title litigations pertaining to the Portfolio as of March 31, 2020

A. Embassy Manyata

(a) MPPL has filed a writ petition against the BBMP and others seeking to *inter alia*, quash (i) a circular from 2014 re-fixing the improvement charges under the Karnataka Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expenses) Rules, 2009, and (ii) a notice from 2015 demanding payment of betterment charges of ₹127.9 million. In 2016, the High Court of Karnataka has granted an interim stay on the impugned circular and notice.

(b) A third party suit was filed against MPPL and other defendants (who are co-owners in joint possession with the plaintiff)in 2020 before the High Court of Karnataka seeking (i) 1/8th share of property by way of partition; (ii)a declaration that the panchayth parikath alias partition deed dated February 20, 1997, sale deeds executed in favour of MPPL are void ab-initio and (iii) award of mesne profit to the plaintiff. The matter was heard on January 28, 2020 and was ordered for issuance of summons and interlocutory application to the defendants.

B. Hilton at Embassy GolfLinks

A third party has filed a suit against GLSP, UPPL and Mac Charles (India) Limited and others in 2003 before the City Civil Court, Bengaluru, seeking specific performance of an agreement for sale for 94,000 sft of land forming part of the larger parcel of land admeasuring 5 acres and 23 guntas situated at Challaghatta village. The court dismissed the suit in 2008. The plaintiff has challenged such dismissal in 2009 before the High Court of Karnataka in an appeal. GLSP and UPPL have been arraigned as respondents in the appeal. The High Court of Karnataka has recorded the submission made by GLSP & UPPL indicating that no encumbrance will be created on the suit property of 94,000 sft.

C. Express Towers

(a) IENMPL 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 IENMPL for payment of increased transfer charges in relation to a sub-lease. While transfer charges amounting to ₹0.12 million annually for 61 years as per GoI's letter were levied in 2001, the transfer charges were revised to ₹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 IENMPL continuing to pay the original transfer charges. IENMPL has also undertaken that in the event of dismissal of petition they shall pay the demanded increased transfer charges.

(b) IENMPL had initiated legal proceedings against a occupier before the Court of Small Causes, Mumbai in 2007 for eviction and recovery of possession of 2,150 sft in Express Towers and for mesne profits. On November 15, 2011, the court directed the occupier to pay ₹0.26 million per month towards mesne profits for the period between March 1, 2007 and February 2010, and ₹0.29 million per month March 1, 2010 onward. An appeal by the occupier against this order before the Court of Small Causes was dismissed on May 6, 2015. Aggrieved, the occupier filed a petition before the Bombay High Court. On August 28, 2017, the High Court passed an order directing the occupier to pay ₹225 per sft per month from May 1, 2015 to continue the possession of the premises. The occupier continues to occupy the premises and pay rentals.

(c) A criminal public interest litigation has been instituted by a third party against the state of Maharashtra and others in 2017 which has alleged irregularities in the manner in which Express Towers was being used, and the manner in which the shareholders of IENMPL have acquired the asset. IENMPL impleaded itself as party to this public interest litigation. The Bombay High Court had directed the third party to file an amended petition to, *inter alia*, include IENMPL as a party, which has been filed by the third party on February 27, 2019. The last date of hearing in the said matter was on August 5, 2019 wherein the matter was adjourned.

D. Embassy GolfLinks

(a) Certain third parties have filed a suit for partition in 2005 against their family members and GLSP before the City Civil Court, Bengaluru, in respect of a property admeasuring 4 acres and 1 guntas, where GLSP is entitled to two acres and 21 guntas, forming part of Embassy GolfLinks wherein the court passed a preliminary decree for partition. GLSP has filed an appeal in 2013 before the High Court of Karnataka challenging the decree. The High Court has passed interim orders in 2015 and stayed the decree. The matter came up for hearing on September 23, 2019 wherein it was adjourned.

(b) A third party individual has filed a suit before Court of the City Civil Judge, Bengaluru in 2005, against GLSP and others for declaring a sale deed allegedly executed in 2004 by him in favour of GLSP and another pertaining to a portion of land situated at Embassy GolfLinks, as null and void on account of fraud and misrepresentation. The plaintiff died at the evidence stage and his alleged heir was not permitted to come on record by as the court rejected his application by passing an order in 2015. Aggrieved by the order, the alleged heir filed a civil revision petition before the High Court of Karnataka in 2015 which was subsequently converted into a writ petition. The matter is currently pending.

(c) Certain third parties have filed a suit in 2008 before the City Civil Court, Bengaluru in respect of a property admeasuring 1 acre and 21 guntas, forming part of Embassy GolfLinks. The suit was dismissed in 2013 due to no representation on behalf of the plaintiffs. The plaintiffs filed a petition before the City Civil Judge, Bengaluru in 2013 to set aside the dismissal order and restore the suit, along with an application for condonation of delay. GLSP has filed objections to the petition.

(d) A third party has filed a suit against GLSP and others before the City Civil Court, Bengaluru in 2004, directing (i) certain defendants apart from GLSP to execute sale deeds in respect of a property admeasuring 1 acre and 36 guntas, forming part of Embassy GolfLinks in favour of the plaintiff by virtue of an agreement to sell executed in 1995 and, (ii) grant of permanent injunction to restrain all the defendants from interfering with the property or in the alternative, refund ₹3.96 million to the plaintiffs. Pursuant to a writ petition filed by one of the defendants, the High Court of Karnataka has stayed the suit in 2014. The City Civil Court, Bengaluru on January 7, 2020 has ordered defendants excluding GLSP, to refund ₹3.96 million with interest from the date of the agreement until its realisation to the plaintiffs within three (3) months.

(e) Certain third parties have filed an application in 2007, before the Court of City Civil Judge, Bengaluru against GLSP and another third party seeking an injunction restraining them from alienating or creating any third party interest in a property admeasuring 2 acres and 14 guntas, forming part of Embassy GolfLinks. The court passed an interim order in 2007 which has been subsequently vacated by the court and the matter is currently pending. The third party claimants have also filed a claim in 2009 against GLSP and others, before the High Court of Karnataka seeking appointment of an arbitrator and an arbitrator was appointed by an order in 2015. The claimants sought (i) performance of joint development agreements executed in 2004 and 2005, against GLSP and another individual, pertaining to the property before the arbitrator, and (ii) an injunction to restrain the respondents from alienating or creating any third-party interests in the building constructed on the property, before the arbitrator. The case has been called for arguments on March 30, 2020.

(f) GLSP has filed a petition in 2014 before the High Court of Karnataka *inter alia*, against a show cause notice issued under the Public Premises (Eviction of Unauthorised Occupation) Act, 1971, in relation to eviction of GLSP from certain parcels of land admeasuring 92 sqm, 274.86 sqm and 2,079.79 sqm in Domlur Village, Bengaluru, which as per the show cause notice allegedly belongs to the Department of Defence and seeking a direction against the BBMP and others to complete the construction of the road on the aforementioned lands. The High Court in 2014 directed BBMP to continue with the construction of the road in terms of certain agreements signed between the Department of Defence and BBMP and also restrained the respondents from acting upon the impugned notice or taking coercive steps against GLSP. The respondents have obtained a stay on such order in 2016 by way of an appeal filed in 2015 before the High Court of Karnataka. The stay order also stated that GLSP cannot be evicted without the leave of court. The High Court of Karnataka in 2019 has disposed the appeal.

(g) A third party has filed a suit before the City Civil Court, Senior Division, Rural District against GLSP and others alleging that the defendants and GLSP have colluded with each other to sell certain parcels of land belonging to the petitioner, admeasuring 12 guntas, 1 acre 9 guntas and 15 guntas respectively and forming part of Embassy GolfLinks to GLSP. The petitioner has alleged that the sale deed executed in 2003 is not binding on the petitioner. The suit was dismissed in 2016 for default by the petitioner. The petitioner has there after filed an application seeking to restore the case and the summons are yet to be served on some of the respondents.

(h) GLSP received a notice from a third party individual alleging that certain third parties were the absolute owners of land in possession of GLSP admeasuring 2 acres and 8 guntas in Bengaluru. The IX Additional City Civil and Sessions Judge, pursuant to a preliminary decree in 2017, granted the petitioner half a share in the land. GLSP was not made a party to the above suit filed by the third party. GLSP has filed an appeal in the High Court of Karnataka to set aside the decree of the IX Additional City Civil and Sessions Judge and to remand the suit to the trial court by impleading GLSP as a defendant. Currently, the matter is in the admission stage and the High Court of Karnataka has requested that the lower court records to be produced before it.

II. Material litigation and regulatory action pending against the Embassy REIT (Asset SPVs and the Investment Entity)

With respect to the Asset SPVs and the Investment Entity, details of all pending regulatory actions and criminal matters against the Asset SPVs and the Investment Entity have been disclosed.

For the purpose of pending civil/commercial matters against the Embassy REIT (Asset SPVs and Investment Entity) and Associates of the Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group), matters exceeding ₹214.70 million (being 1% of the consolidated income of the Embassy REIT as of Financial Year March 31, 2020) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of the Embassy REIT has been disclosed.

Other than as disclosed below, there are no pending criminal litigation, regulatory actions or material civil/commercial matters against any of the Asset SPVs or the Investment Entity or the Associates of the Embassy REIT (excluding the Manager, the Sponsors, their respective Associates and the Blackstone Sponsor Group) as of March 31, 2020. Further, there is no litigation against the Embassy REIT as of March 31, 2020.

A. MPPL

Regulatory Proceedings

(a) The Director, SEZ Section, GoI issued guidelines in 2009 which laid down that captive power plants in IT / ITES SEZs were to be classified as separate units and were entitled to avail fiscal benefits under the SEZ Act including the benefit of exemption from the levy of excise duty under the Central Excise Act, 1994, on the goods supplied to them. However, in 2015, a new circular was issued which withdrew all such benefits and incentives extended to the captive power plants set up in a SEZ with effect from April 1, 2015. In 2016, new guidelines were issued which restored the benefits and exemptions given under the 2009 circular. However, the exemptions and benefits were prospective in nature and did not apply to SEZ developers, such as MPPL, for the period between the 2015 circular and the 2016 guidelines. By way of their letters in 2016, two diesel providers who were providing high speed diesel to MPPL, informed MPPL that amount payable due to excise duty on supply of diesel to MPPL was ₹31.60 million and ₹8.49 million, respectively, due to the changed guidelines. MPPL filed an application before the Development Commissioner, Manyata Embassy Business Park SEZ in 2016 seeking approval of its DG set unit as a SEZ unit with retrospective effect, which was not granted.

Subsequently, MPPL filed an appeal before the Development Commissioner, Manyata Embassy Business Park SEZ seeking modification of the letter of approval granted by the Board of Approval, SEZ Section to classify MPPL's captive power plant as a SEZ unit, as it was not granted with retrospective effect, which was rejected. MPPL has filed a writ petition in 2017 before the High Court of Karnataka to set aside the said order and a stay order has been granted and the stay continues to be in force.

(b) MPPL has also received a demand order dated October 9, 2017 to pay a sum of ₹ 760.07 million (including penalty) towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal has been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bengaluru objecting the total survey report and property tax assessment notice arising therefrom. However, the appeals preferred by SPV was disposed on January 3, 2018 as per the orders passed by the Appellate Authority and pursuant to the orders of the Appellate Authority a new demand notice dated January 3, 2018 was issued to pay a sum of ₹ 860.39 million towards the differential property tax for the period 2008-09 to 2017-18. MPPL is in the process of challenging the order dated January 3, 2018 passed by the Appellate Authority before the District Judge i.e. Principal City Civil Judge, Bengaluru.

(c) Other Material Litigation

Certain third parties have filed a petition against MPPL and others before an arbitral tribunal in 2018, where such third parties have prayed for an award directing MPPL and others, in accordance with a memorandum of agreement entered into between the third parties and MPPL to pay, (i) ₹90 million along with interest at 18% per annum from September 3, 2008 to date of realisation (ii) ₹7.52 million as interest on delayed payment of ₹70 million calculated for specified periods mentioned therein, and (iii) ₹19.39 million as interest on delayed payment of ₹40 million calculated for specified periods mentioned therein. An order was passed on September 7, 2018 allowing part of the claim. Additionally, an execution petition was filed before the City Civil Court in 2019 by the award holder. However, this execution petition has been stayed pursuant to an appeal filed against the order in 2019 before the City Civil Court, Bengaluru. The matter came up for arguments on February 28, 2020 and the counsels for the petitioner and respondent have requested time for arguments.

EEPL

Regulatory Proceedings

(a) The Karnataka Electricity Regulatory Commission has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as, *inter alia*, payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. The Commission issued an order in 2018 directing cancellation of the aforementioned exemption available to Karnataka's power generators, including EEPL. Subsequently, EEPL and others have filed writ petitions in 2018 in the High Court of Karnataka against the State of Karnataka, the Karnataka Electricity Regulatory Commission, Bengaluru Electricity Supply Company Limited, Gulbarga Electricity Supply Company Limited and Karnataka Power Transmission Corporation Limited. The High Court of Karnataka by way of an order dated May 24, 2018 has directed interim stay on the Commission's order. In the event of cancellation of the aforesaid exemption, EEPL would incur an estimated loss of approximately ₹1053.50 million over a ten year period. The Bengaluru Electricity Supply Company Limited filed an interlocutory application on June 18, 2018, seeking recalling of order dated May 24, 2018 of the High Court of Karnataka, and Karnataka Electricity Regulatory Commission has filed common preliminary objections on September 27, 2018 and requested the High Court of Karnataka to dismiss the writ petition filed by EEPL and others. The High Court of Karnataka, by way of an order dated March 13, 2019, allowed the writ petitions filed by EEPL and others, and quashed the order dated May 14, 2018 issued by the Karnataka Electricity Regulatory Commission. EEPL has filed the Caveat Petition for receiving notifications in case any suit/appeal is filed by any of the parties to the said petition. Karnataka Electricity Regulatory Commission has filed a common writ appeal against the said order. However, EEPL has not been made a party to the said appeal. In the event an adverse order is passed in the said appeal, EEPL may also be affected.

(b) The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy generators were reduced from a period of one year to six months, and restrictions were imposed on the extent of banked energy which could be withdrawn during the peak time of day. EEPL filed a writ petition against the Karnataka Electricity Regulatory Commission and others before the High Court of Karnataka. The High Court of Karnataka pursuant to an order dated August 9, 2018 granted an interim stay on the commission's order. Pursuant to an order dated July 24, 2019, the High Court of Karnataka has allowed the writ petition and quashed the order dated January 9, 2018 issued by the Karnataka Electricity Regulatory Commission with a direction to Karnataka Electricity Regulatory Commission to reconsider the matter. Karnataka Electricity Regulatory Commission has filed a common appeal against EEPL and all other companies before the Division Bench of the High Court of Karnataka.

Other Material Litigation

(a) EEPL has received a demand notice under the Insolvency and Bankruptcy Code, 2016 on February 28, 2019 from a third party subcontractor, engaged by IL&FS Development Company (IEDCL), the parent Company of ISPL, which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorised as operational debts) aggregating up to ₹ 1,008.1 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated March 1, 2019, refuted all such claims *inter alia* on the basis that the payments are due from ISPL (and/or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated March 18, 2019, the subcontractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL, without prejudice to any action, including criminal, that may be taken under law including the Insolvency and Bankruptcy Code, 2016 against EEPL, IEDCL, ISPL and certain representatives of these entities, including Jitendra Virwani. EEPL has also written to ISPL in relation to deficiencies in services required to be contractually provided by ISPL. ISPL has responded to EEPL denying the allegations in such letters. The lenders of ISPL have also written to EEPL in relation to certain payments made by EEPL to ISPL under the deferred payment agreement dated March 3, 2017. EEPL has responded to the lenders stating that they are not party to the arrangements between EEPL and ISPL and should approach ISPL directly. The third party sub-contractor has filed an application as an operational creditor for initiation of proceedings under the Insolvency and Bankruptcy Code, 2016 (“Code”) before the NCLT, Bengaluru against EEPL. The matter is in the preliminary hearing stage before the NCLT, Bengaluru and has not been admitted.

(b) In relation to Embassy Energy, ISPL has identified 465.77 acres of land for Embassy Energy. The approval obtained by EEPL from the Government of Karnataka for the establishment of Embassy Energy requires that the land is purchased and the solar project is established only after obtaining conversion of the use of the land for non-agricultural purposes. EEPL is required to obtain approval from the local authorities to purchase the land for the solar project under Section 109 of the Karnataka Land Reforms Act, 1961 which is deemed conversion of agricultural land and no further approvals are necessary. EEPL directly or through land aggregators has executed agreements for sale and powers of attorney with various land owners for 465.77 acres of land. Applications for approval under Section 109 have been made for 464.51 acres of land and such approvals have been received for 442.20 acres. EEPL has executed sale deeds in respect of 254.47 acres of land. Of the 254.47 acres of land for which sale deeds have been executed, payment of conversion fine is pending.

B. GLSP

Regulatory Proceedings

GLSP and its occupier have received a notice in 2017 from the Karnataka State Pollution Control Board stating that the sewage treatment plant at Embassy GolfLinks was inspected by the relevant officials and was found to not be operating in accordance with the standards stipulated pursuant to an order passed by the National Green Tribunal and a public notice issued by the Karnataka State Pollution Control Board detailing revised standards required to be adopted for such plants in 2017. GLSP was called upon to show cause as to why action should not be initiated against it under the Water Act, 1974 and related legislations within 30 days from the date of the notice. GolfLinks Embassy Business Park Management Services LLP has responded to the notice stating that it is in the process of complying with the observations and requesting for a period of five to seven months for compliance and to grant consent.

C. IENMPL

(a) IENMPL has received a notice from the Collector, Mumbai in 2008 alleging violations of the terms of the lease deed such as use of premises for purposes other than the permitted use; carrying out construction/repair work without the approval of the state architect; and granting licenses to use to third parties without payment of transfer charges. IENMPL has responded to this notice in 2008 confirming compliance with the terms of the lease deed and there has been no further correspondence in this regard since 2008.

An order NO. CSLR/REV-1/LND2540(236)/BBR-III order/5th floor 2019/3563 has been received on March 6, 2019 by IENMPL requiring payment, within 21 days, of ₹16.27 million towards regularisation of a prior sub-lease of an erstwhile occupier; and that IENMPL submit, within one month, details of other transfers and leave and licenses for regularisation. The order also states that due to alleged breaches of terms and conditions, further investigation and necessary action may be taken under Section 53 of Maharashtra Land Revenue Act, 1966 (which authorises the Collector to pass an order for eviction, provided that the Company is found to be in breach of the terms of the lease); and that IENMPL has the right to prefer an appeal before the Maharashtra Revenue Tribunal. Subsequently, IENMPL has paid the aforesaid amount.

Furthermore, IENMPL has, vide its letter dated April 1, 2019, made an application to the office of the Collector, Mumbai City, seeking conversion of the said Land from Leasehold Land to freehold, that is, Class-I Occupancy Land and has paid the requisite fee towards the same. The office of the Collector, Mumbai City, vide its Order bearing no. CSLR/Ma.Sha.-2/Fort1910/Occupancy Class-1/Conversion/2019 dated August 23, 2019, was, after regularising the usage of the said Property, pleased to convert the rights to or in the said Property from leasehold into freehold by nature.

(b) Since the 1970s, many correspondences have been exchanged by IENMPL, MCGM, and the Government of Maharashtra, in relation to unauthorised construction and approval for change of use of three floors of Express Towers since the execution of the lease deed (including notices relating to alleged unauthorised construction and unauthorised use) IENMPL last applied to the MCGM in 1990 for such permission which was rejected. IENMPL thereafter wrote to the Government of Maharashtra requesting that they direct the MCGM to regularise the office use and occupation of plaza floors (as per the previous approval of the Government of Maharashtra). The Government of Maharashtra has observed that the local regulations do not contain a provision dealing with plaza floors and has since written to the local authorities in 2004 to formulate guiding principles for treatment of plaza floors, such amendments are yet to be notified.

III. Material litigation and regulatory action pending against the Embassy Sponsor

With respect to the Embassy Sponsor, details of all pending regulatory actions and criminal matters against the Embassy Sponsor have been disclosed.

For the purpose of pending civil/commercial matters against the Embassy Sponsor matters exceeding ₹724.6 million (being 5% of its total consolidated revenue for the Financial Year 2019) have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of the Embassy REIT has been disclosed.

Other than as disclosed below, there is no pending criminal litigation, regulatory action or material civil/commercial matter against the Embassy Sponsor as of March 31, 2020.

Criminal Litigation

A charge sheet has been filed by the Central Bureau of Investigation against various individuals and the companies including Embassy Realtors Private Limited (which subsequently merged with the Embassy Sponsor) and its founder, Jitendra (Jitu) Virwani in 2014, who have been named as accused number 12 and 11 respectively. As part of allegations made against the various others accused, there have also been allegations of corruption and irregularities in 2004 with relation to certain land development and housing projects awarded by the Government of Andhra Pradesh and the Andhra Pradesh Housing Board to a consortium in which, Embassy Realtors Private Limited, was holding a minority stake. The offences alleged against the Embassy Sponsor and Jitendra Virwani are under the Indian Penal Code, 1860, including, *inter alia*, Sections 120 (b) & 420. Jitendra Virwani filed a criminal petition in the High Court of Telangana and Andhra Pradesh seeking an interim order of stay against the proceedings in the trial court; the High Court has exempted the personal appearance of Jitendra Virwani instead of staying the further proceedings. Subsequently, the Embassy Sponsor has filed a criminal petition in the High Court of Telangana and Andhra Pradesh in 2016 seeking to *inter alia* quash the proceedings pending before the Special Court for CBI cases at Hyderabad. An interim order of stay has been granted by the High Court in favour of the Embassy Sponsor in this regard until October 18, 2019. The Embassy Sponsor and Jitendra Virwani were also named as respondents in proceedings initiated by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002 in relation to the same subject matter and an order for the provisional attachment of certain movable assets of the Embassy Sponsor and Jitendra Virwani was passed in January 2018. The Adjudicating Authority has in June 2018 passed an order to the effect that such alleged assets were not involved in the money laundering and has revoked the attachment of such assets. The Directorate of Enforcement has filed an appeal before the Appellate Tribunal at New Delhi and the Appellate Tribunal has dismissed the Appeal filed by the Enforcement Directorate and confirmed the orders passed by the Adjudicating Authority. Aggrieved by the Orders passed by the Appellate Tribunal at New Delhi, the Enforcement Directorate has filed an appeal before the High Court of Telangana at Hyderabad and the said Appeal is pending before the High Court at Hyderabad.

Regulatory Proceedings

(a) The Deputy Commissioner (Registration) and District Registrar, Bengaluru has by an order passed in 2017 directed the Embassy Sponsor to make payment of stamp duty of ₹93.22 million and registration fee of ₹16.50 million pertaining to a sale agreement for residential properties in Bengaluru. Embassy Sponsor filed an appeal before the Karnataka Appellate Tribunal, Bengaluru (“KAT”) in 2018 challenging the order which was dismissed in 2019. The KAT directed the Embassy Sponsor to pay an amount of ₹100.97 million. The Embassy Sponsor has filed a writ petition before the High Court of Karnataka challenging the orders passed by the KAT and also sought an interim order of stay against the order of the KAT.

(b) A third party individual has filed an application before the National Green Tribunal, Chennai in 2015 against the State of Karnataka, and several other builders including Embassy Sponsor, alleging that builders are polluting the Bellandur lake and surrounding environment by discharging effluents in the lake, around which they are developing residential and commercial projects. The matter is currently pending for hearing.

(c) The Embassy Sponsor has received a notice from the Competition Commission of India in 2018 inquiring into its acquisition of over 70% of the shareholding of Mac Charles (India) Limited as a combination. The Embassy Sponsor has replied to the notice *inter alia* submitting that the transaction does not constitute a combination within the meaning of Section 5 of the Competition Act, 2002 since Mac Charles (India) Limited was eligible to avail the de minimis exemption for combinations under the provisions of the Competition Act, 2002.

(d) The Maharashtra Pollution Control Board pursuant to a notice in 2011 has filed a criminal case in 2012 before the Chief Judicial Magistrate Court, Pune against the Embassy Sponsor and another accused for violating environmental laws by carrying out construction at plot no. 3, Rajiv Gandhi Infotech Park, Pune without obtaining prior clearance. The court issued summons in 2012, against which Embassy Sponsor has filed a criminal writ petition in the Bombay High Court.

IV. Material litigation and regulatory action pending against the Associates of the Embassy Sponsor

With respect to the Associates of Embassy Sponsor, details of all pending regulatory actions and criminal matters against the Associates of the Embassy Sponsor have been disclosed.

For the purpose of pending civil commercial matters against the Associates of the Embassy Sponsor, (excluding the Asset SPVs and the Investment Entity) matters exceeding 5% of the total consolidated revenue of the Embassy Sponsor as of March 31, 2019 have been considered material and proceedings where the amount is not determinable but the proceeding is considered material by the Manager from the perspective of the Embassy REIT has been disclosed.

Other than as disclosed below, there is no pending criminal litigation, regulatory actions or material civil/commercial matters against the Associates of the Embassy Sponsor as of March 31, 2020.

Regulatory Proceedings

(a) Concord India Private Limited received a notice in 2008 from the Range Forest Officer, Bengaluru regarding initiation of proceedings in the High Court of Karnataka for the alleged unauthorised occupation of 78 acres forest land in a plantation reserved forest in Bengaluru. The Company has filed a writ petition in 2008 to quash the notice pursuant to which the court ordered in 2012 that the occupied area was not forest land. The Range Forest Officer has filed a writ appeal in the High Court of Karnataka in 2012 against the order and the Company has also filed a writ petition in the High Court of Karnataka in 2012 against the State of Karnataka challenging old notifications of the Karnataka State Government declaring the occupied area as an industrial area instead of as a de-reserved reserve forest area for non-forest activity. The said case has been disposed vide judgement dated July 23, 2019.

(b) Le Meridien Hotel, Bengaluru (owned by Mac Charles (India) Limited) has received a notice in 2013 from the Employees' Provident Fund Organisation to show cause why damages on belated remittance should not be levied. The hotel agreed to the delay in payment except for certain periods. The Assistant Provident Fund Commissioner in 2016 ordered the hotel to pay belated remittance of ₹0.11 million within stipulated time along with interest payable. The hotel has filed an appeal in 2016 before the Employees Provident Fund Appellate Tribunal, Bengaluru challenging the order and the tribunal granted interim stay.

(c) J.V. Holdings Private Limited has received a notice in 2014 from the RBI to show cause why action should not be initiated against it for doing business as an NBFC in violation of the Reserve Bank of India Act, 1934. The Company filed its reply to the RBI and the RBI in 2016 directed it to either merge with another NBFC, wind up its business or register as an NBFC. The RBI also directed the Company in 2017 to exit partnerships it is invested in to qualify as a core investment Company. In 2018, the RBI has asked J. V. Holdings Private Limited to submit its response on the status of complying with the notice. The Company has replied to the RBI stating that it has commenced provision of marketing services and that the proposed income from such business activity will be such that the Company will not be an NBFC by March 31, 2019. The Company has ceased undertaking non-banking financial business as on March 31, 2019.

(d) Udhyaman Investments Private Limited has received a notice in 2015 from the RBI to provide clarifications to determine whether it is an NBFC. The Company clarified that it does not qualify as an NBFC and the matter is currently pending.

(e) Certain oil suppliers supplying oil to the SEZ operated by Vikas Telecom Private Limited have received a demand notice for a sum of ₹4,309,200 from the Customs Department alleging that they have not obtained SEZ unit approval for the year 2015 for the DG area of the SEZ and were hence ineligible to claim the tax exemption on supply of diesel to the SEZ. The oil suppliers have requested that Vikas Telecom Private Limited either provide them with the SEZ unit approval or pay the demand amount. Vikas Telecom Private Limited has filed an appeal before the SEZ Commissioner seeking SEZ unit approval with retrospective effect from 2015. The SEZ Commissioner has rejected the contention and has provided SEZ unit approval with prospective effect. Vikas Telecom Private Limited has filed a writ petition before the High Court of Karnataka seeking to quash the order passed by the SEZ Commissioner and seeking that the SEZ Commissioner be directed to provide the SEZ unit approval with retrospective effect. Vikas Telecom Private Limited has obtained an interim order granting a stay on the demand notice.

Other Material Litigation

(a) A suit was filed by third party individuals in 2016 against Nam Estates Private Limited, Udhyaman Investments Private Limited and others before the Civil Judge, Devanahalli, Bengaluru seeking partition and separate possession with respect to 1/9th share of a property admeasuring 120 acres in Bengaluru.

(b) A suit was filed by third party individuals in 2016 against Nam Estates Private Limited, and others before the Civil Judge, Devanahalli, Bengaluru seeking partition and separate possession of a property admeasuring 120 acres in Bengaluru.

(c) A suit was filed by third parties in 2018 against Nam Estates Private Limited and another before the Principal Civil Judge (Senior Division), Devanahalli, Bengaluru, claiming possession of a property admeasuring 120 acres in Bengaluru.

(d) A suit was filed by a third party against several parties including DSRK for specific performance of alleged oral agreement (for 46.91 acres of land at Sholinganallur). The plaintiff has sought for execution and registration of the sale deeds in its favor.

(e) A suit was filed by a third party in 2007 against GV Properties Private Limited and others before the City Civil Court, alleging that land owned by him admeasuring 5 acres and 11 guntas were alienated to GV Properties Private Limited without his knowledge.

(f) A suit was filed by a third party against certain third parties before the City Civil Court, Bengaluru seeking a permanent injunction against utilisation of 155,000 sft of land situated at Bengaluru. Swire Properties Private Limited was impleaded by the plaintiffs in the suit at a later stage alleging that Swire Properties Private Limited was also infringing upon the said land parcels.

(g) A third party filed a petition before the Indian Council for Arbitration against Concord India Private Limited for resolution of a dispute in respect of a memorandum of understanding between the third party and Concord India Private Limited entered into in 1999 in respect of joint development of 78 acres of land situated at Kadugodi plantation. The petitioner has claimed that they are entitled to develop the land, whereas Concord India Private Limited has stated that the petitioner is not entitled to any relief since the memorandum of understanding was terminated. The arbitral tribunal passed an award in favour of Concord India Private Limited dismissing the petition filed by the petitioner. Aggrieved by the award passed by the arbitral tribunal, the petitioner filed a suit before the City Civil Court at Bengaluru in 2019 challenging the said award and the said suit is pending for consideration.

V. Material litigation and regulatory action pending against the Blackstone Sponsor, its Associates and the Blackstone Sponsor Group

As of March 31, 2020, the Blackstone Sponsor, its Associates and the Blackstone Sponsor Group do not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e. in excess of USD 1.6 million (being 5% of the income of the Blackstone Sponsor for the financial year ended March 31, 2020 pending against them.

VI. Material litigation and regulatory action pending against the Manager and its Associates

As of March 31, 2020, the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors) do not have any regulatory actions, criminal matters, or other material civil/commercial litigation pending against them. For the purposes of civil/commercial matters against the Manager and its Associates (to the extent that such Associates are not Associates of the Sponsors), matters involving amounts exceeding 5% of the revenue of the Manager for the Financial Year Financial Year 2019-20 have been considered material.

VII. Material litigation and regulatory action pending against the Trustee

As of March 31, 2020, the Trustee does not have any regulatory actions, criminal matters, or material civil/commercial litigation, i.e., in excess of 9.20 Million (being 5% of the income of the profit after tax of the Trustee for the Financial Year 2019-20) pending against it.

VIII. Taxation Proceedings

Details of all direct tax, indirect tax and property tax matters against the Relevant Parties as of March 31, 2020 are as follows:

Nature of the case	Number of cases	Amount involved (in ₹ million)
Embassy REIT (Asset SPVs and Investment Entity)		
Direct Tax	41	425.41
Indirect Tax	15	932.45
Property Tax	2	3,313.08
Total	**58**	**4670.94**
Embassy Sponsor		
Direct Tax	7	179.97
Indirect Tax	3	309.63
Property Tax	Nil	Nil
Total	**10**	**482.60**
Blackstone Sponsor		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Manager		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Blackstone Sponsor Group		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Associates of the Manager*		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Associates of the Embassy Sponsor		
Direct Tax	46	251.18
Indirect Tax	24	728.80
Property Tax	Nil	Nil
Total	**70**	**979.98**
Associates of the Blackstone Sponsor#		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**
Trustee		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Property Tax	Nil	Nil
Total	**Nil**	**Nil**

Excludes Associates of the Sponsors

Excludes the Blackstone Sponsor Group.

Financial Statements

Independent Auditor's Report

To the Unitholders of Embassy Office Parks REIT

Report on the Audit of the Standalone Ind AS Financial Statements Opinion

We have audited the accompanying standalone Ind AS financial statements of Embassy Office Parks REIT (the "REIT"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Unitholders' equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the REIT for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the state of affairs of the REIT as at March 31, 2020, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholders' equity for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows of the REIT for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessing impairment of Investments and loans made by the REIT in subsidiaries and joint venture entity (as described in note 3, 4, 5 and 7 of the standalone Ind AS financial statements)	
As at March 31, 2020, the carrying values of REIT's investment in subsidiaries and joint venture entity amounted to ₹187,586.56 million. Further the REIT has granted loans to its subsidiaries amounting to ₹65,762.57 million.	Our audit procedures included, among others, the following: - We assessed the REIT's valuation methodology applied in determining the recoverable amount.
Management reviews regularly whether there are any indicators of impairment of such investments/loans by reference to the requirements under Ind AS. Management performs its impairment assessment by comparing the carrying value of these investments/loans made to their recoverable amount to determine whether an impairment needs to be recognised. For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Significant judgements are required to determine the key assumptions used in determination of value in use. Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.	- We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID- 19 pandemic. - We compared the recoverable amount of the investment to the carrying value in books as at March 31, 2020. - As regards loans granted, we obtained and considered management evaluation of recoverability of loans and advances granted to its subsidiaries and joint venture entity. - We read/assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant accounting standards requirements.
Classification of Unitholders' funds as equity (as described in note 10(a)(i) of the standalone Ind AS financial statements)	
The REIT is required to distribute to its Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the REIT to pay cash distributions to its Unitholders. The Unitholders' funds could have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/141/2016 dated December 26, 2016 and No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circulars") issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated December 26, 2016 dealing with the minimum disclosures for key financial statements. Based on the above, the classification of Unitholders' funds as equity involved considerable management judgement. Accordingly, it is considered as a key audit matter.	Our audit procedures included evaluating the requirements for classification of financial liability and equity under Ind AS 32 and evaluating the provisions of SEBI Circulars for classification/presentation of Unitholders' funds in the standalone Ind AS financial statements of the REIT. We assessed the disclosures in the standalone Ind AS financial statements for compliance with the relevant requirements of REIT regulations.

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
Computation and disclosures as prescribed in the REIT regulations relating to Statement of Net Assets and Total Returns at Fair Value	
As per the provisions of REIT Regulations, the REIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The determination of fair value involves judgement due to inherent uncertainty in the underlying assumptions and it is highly sensitive to changes in some of the inputs used e.g. the discounting rate (WACC), capitalisation rates, rental growth rates etc. Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures include the following- - Read the requirements of SEBI REIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. - Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. - Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. - We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value. - Read/Assessed the disclosures in the standalone financial statements for compliance with the relevant requirements of REIT Regulations.
Related party transactions and disclosures	
(as described in note 25 of the standalone Ind AS financial statements)	
The REIT has undertaken transactions with its related parties in the normal course of business. These include making new or additional investments; lending of loans to SPVs, interest and dividend income on such loans/investments, fees for services provided by related parties to REIT etc. as disclosed in Note 25 of the standalone Ind AS financial statements. We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2020 and regulatory compliance thereon.	Our audit procedures, included the following: - Obtained, read and assessed the REIT's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with REIT regulations. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorisation and approval for such transactions.

Key audit matters	How our audit addressed the key audit matter
	- We read minutes of Unitholder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager in connection with transactions with related parties effected during the year and REIT's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the REIT regulations. - Assessed and tested the disclosures made in accordance with the requirements of Ind AS and REIT regulations.

Other Information

The Management of Embassy Office Parks Management Services Private Limited ("the Manager"), acting in its capacity as the manager of Embassy Office Parks REIT is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Management of the Manager ('the Management') is responsible for the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position as at March 31, 2020, financial performance including other comprehensive income, cash flows, the movement of the unit holders' equity for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows of the REIT for the year ended March 31, 2020, in accordance with the requirements of the REIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Management is responsible for assessing the ability of the REIT 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 REIT or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the REIT 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the REIT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Ind AS financial statements of the REIT for the year ended March 31, 2019 and the transition date opening balance sheet as at April 1, 2018, prepared in accordance with Ind AS, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019, expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

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

(b) The Balance Sheet and the Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account of the REIT; and

(c) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per **Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 20209567AAAABX3303

Place: Bengaluru, India
Date: May 19, 2020

Standalone Balance Sheet

(all amounts in ₹ million unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Non-current assets				
Financial assets				
- Investments	3	186,862.18	187,449.64	-
- Loans	4	65,143.57	4,712.93	-
Total non-current assets		**252,005.75**	**192,162.57**	**-**
Current assets				
Financial assets				
- Investments	5	3,933.45	-	-
- Cash and cash equivalents	6	2,845.45	42,818.53	-
- Loans	7	620.00	-	-
- Other financial assets	8	3.15	-	-
Other current assets	9	47.42	-	-
Total current assets		**7,449.47**	**42,818.53**	**-**
Total assets		**259,455.22**	**234,981.10**	**-**
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	10	229,120.96	229,039.26	-
Other equity	11	(8,784.65)	(94.47)	-
Total equity		**220,336.31**	**228,944.79**	**-**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	12	39,018.84	-	-
Total non-current liabilities		**39,018.84**	**-**	**-**
Current liabilities				
Financial liabilities				
- Trade payables	13			
- total outstanding dues of micro and small enterprises		-	-	
- total outstanding dues of creditors other than micro and small enterprises.		6.68	-	
- Other financial liabilities	14	88.48	6,036.31	
Other current liabilities	15	4.37	-	-
Current tax liabilities (net)	16	0.54	-	-
Total current liabilities		**100.07**	**6,036.31**	**-**
Total equity and liabilities		**259,455.22**	**234,981.10**	**-**
Significant accounting policies	2			

The accompanying notes referred to above are an integral part of Standalone financial statements.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Standalone Statement of Profit and Loss

(all amounts in ₹ million unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Income and gains			
Dividend		289.97	-
Interest	17	8,229.01	-
Other income	18	155.34	-
Total Income		**8,674.32**	**-**
Expenses			
Valuation expenses		9.74	-
Audit fees	22	7.64	1.19
Investment management fees		214.81	-
Trustee fees		2.96	-
Legal and professional Fees		98.09	-
Other expenses	19	18.15	93.28
Total Expenses		**351.39**	**94.47**
Earnings/(loss) before finance costs, depreciation, amortisation, impairment loss and tax		**8,322.93**	**(94.47)**
Finance costs	20	2,850.33	-
Depreciation and amortisation expense		-	-
Impairment loss	3	587.46	-
Profit/(loss) before tax		**4,885.14**	**(94.47)**
Tax expense:	21		
Current tax		71.17	-
		71.17	**-**
Profit/(loss) for the year		4,813.97	(94.47)
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability, net of tax		-	-
Total comprehensive income for the year		**4,813.97**	**(94.47)**
Earning per unit - refer Note 23			
Basic		6.24	(5.22)
Diluted		6.24	(5.22)
Significant accounting policies	2		

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
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DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Standalone Statement of Cash Flow

(all amounts in ₹ million unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit/(loss) before tax	4,885.14	(94.47)
Adjustments:		
Interest income	(8,229.01)	-
Net changes in fair value of financial assets	(1.72)	-
Dividend	(289.97)	-
Gain/(loss) on mutual funds	(152.36)	-
Impairment loss	587.46	-
Finance costs	2,850.33	-
Operating cash flow before working capital changes	**(350.13)**	**(94.47)**
Changes in:		
Other current assets	(47.42)	-
Other current and non-current liabilities and provisions	4.37	-
Other current financial liabilities	(37.75)	125.97
Other financial assets	(3.15)	-
Trade payables	6.68	-
Cash (used in)/generated from operations	**(427.40)**	**31.50**
Income taxes paid, net	(70.63)	-
Net cash (used in)/generated from operating activities	**(498.03)**	**31.50**
Cash flow from investing activities		
Loans given to subsidiaries	(76,285.60)	(4,681.93)
Loans repaid by subsidiaries	15,596.61	-
Investment in subsidiary	(3,450.00)	-
Investment in debentures issued by joint venture	(2,500.00)	-
Redemption of debentures issued by joint venture	1,775.62	-
Interest received	7,837.35	-
Dividend received	289.97	-
Redemption/(Investments) in mutual funds, (net)	(3,054.99)	-
Net cash generated from/(used in) investing activities	**(59,791.04)**	**(4,681.93)**
Cash flow from financing activities		
Proceeds from issue of units	-	47,499.96
Expenses incurred towards Initial Public Offering	(2,378.64)	-
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	36,168.51	-
Distribution to Unitholders	(13,503.88)	-
Security deposits (given)/repaid	30.00	(31.00)
Net cash (used in)/generated from financing activities	**20,315.99**	**47,468.96**
Net increase/(decrease) in cash and cash equivalents	(39,973.08)	42,818.53
Cash and cash equivalents at the beginning of the year	42,818.53	-
Cash and cash equivalents at the end of the year	**2,845.45**	**42,818.53**

Standalone Statement of Cash Flow

(all amounts in ₹ million unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and cash equivalents comprise:		
Cash on hand	-	-
Balances with banks		
- in current accounts	2,845.19	0.50
- in escrow accounts	0.26	42,818.03
Cash and cash equivalents at the end of the year	**2,845.45**	**42,818.53**

Note: The Trust has issued Units in exchange for investments in SPVs during previous year ended March 31, 2019. The same has not been reflected in Standalone Statement of Cash Flows since these were non-cash transactions. Further the Trust has also paid a cash consideration of ₹ 3,450 million towards acquisition of interest in IENMPL.

Significant accounting policies

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

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Standalone Statement of changes in Unit holder's Equity

(all amounts in ₹ million unless otherwise stated)

A. Unit Capital

	Amount
Balance as on April 1, 2018	-
Add: Units issued during the year - refer Note: 10	231,499.60
Less: Issue expenses	(2,460.34)
Balance as at March 31, 2019	**229,039.26**
As at April 1, 2019	229,039.26
Add: Reversal of issue expenses no longer payable	81.70
Balance as at March 31, 2020	**229,120.96**

B. Other equity

Particulars	Retained Earnings
Balance as on April 1, 2018	-
Profit/(loss) for the year	(94.47)
Balance as at March 31, 2019	**(94.47)**
Balance as on April 1, 2019	**(94.47)**
Profit for the year ended March 31, 2020	4,813.97
- Less: Distribution to Unitholders for the quarter ended June 30, 2019*	(4,166.99)
- Less: Distribution to Unitholders for the quarter ended September 30, 2019*	(4,630.00)
- Less: Distribution to Unitholders for the quarter ended December 31, 2019*	(4,707.16)
Balance as at March 31, 2020	**(8,784.65)**

* The distributions made by Trust to its Unitholders are based on the Net Distributable Cash flows (NDCF) of Embassy Office Parks REIT under the REIT Regulations which includes repayment of loans by SPVs to REIT.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
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Membership number: 209567
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Date: May 19, 2020

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Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

A) Statement of Net Assets at fair value

Sl. No.	Particulars	Unit of measurement	As at March 31, 2020	
			Book Value	Fair value
A	Assets	₹ in million	259,455.22	316,939.32
B	Liabilities	₹ in million	39,118.91	39,118.91
C	Net Assets (A-B)	₹ in million	**220,336.31**	**277,820.41**
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	₹	**285.53**	**360.03**

Notes:

1. **Measurement of fair values:**

   The fair value of investments in SPVs are computed basis the fair value of the underlying Investment property, Investment property under development, Property, Plant and Equipment and Capital Work-in-progress as at March 31, 2020 along with book values of other assets and liabilities accounted in the respective SPV financial statements as at March 31, 2020. The fair value of the properties has been determined by independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued.

2. **Break up of Net asset value as at March 31, 2020**

Particulars	As at March 31, 2020
Fair value of investments in SPVs	310,109.83
Add: Other assets	6,829.49
Less: Liabilities	(39,118.91)
Net Assets	**277,820.41**

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

B) Statement of Total Returns at fair value:

Sl. No.	Particulars	For the year ended March 31, 2020
A	Total comprehensive income	4,813.97
B	Add: Income not distributed by SPV's and changes in fair value not recognised in total comprehensive income of standalone financial statements	6,803.33
C (A+B)	**Total Return**	**11,617.30**

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

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Director
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Place: Mumbai
Date: May 19, 2020

STANDALONE FINANCIAL STATEMENTS

RN: IN/REIT/17-18/0001

(all amounts in ₹ million unless otherwise stated)

Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl No	Particulars	For the year ended March 31, 2020
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	7,823.93
	• Dividends (net of applicable taxes)	289.97
	• Repayment of Shareholder Debt	11,012.23
	• Proceeds from buy-backs/capital reduction (net of applicable taxes)	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-
	• Applicable capital gains and other taxes	-
	• Related debts settled or due to be settled from sale proceeds	-
	• Directly attributable transaction costs	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4	Add: Any other income accruing to the Trust and not captured herein	167.05
5	Less: Any other expense accruing at the Trust level, and not captured herein	(23.40)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.96)
	• REIT Management Fees	(214.81)
	• Valuer fees	(9.74)
	• Legal and professional fees	(102.89)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(70.62)
	Net Distributable Cash Flows	**18,865.92**

Notes:

1 The Board of Directors of the Manager to the Trust, in their meeting held on May 19, 2020, have declared distribution to Unitholders of ₹ 6.89 per unit which aggregates to ₹ 5,316.77 million for the quarter ended March 31, 2020. The distributions of ₹ 6.89 per unit comprises ₹ 2.49 per unit in the form of interest payment, ₹0.23 per unit in the form of dividend and the balance ₹ 4.17 per unit in the form of amortisation of SPV debt.

Along with distribution of ₹ 17.50 per unit for the nine-months ended December 31, 2019, the cumulative distribution for the year ended March 31, 2020 aggregates to ₹ 24.39 per unit.

2 Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.

3 Since the Trust was listed only on April 1, 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Notes

to the Standalone financial statements

1. Trust Information

Embassy Property Developments Private Limited (‘EPDPL’) and BRE/Mauritius Investments (‘BMI’) collectively known as (the ‘Sponsors’ or the ‘Co-Sponsors’) have set up the Embassy Office Parks REIT (or the “ Embassy 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 March 30, 2017 as amended on September 11, 2018. The Embassy REIT was registered with SEBI on August 3, 2017 as a real estate investment trust (REIT) under Regulation 6 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 having registration number IN/REIT/17-18/0001. Pursuant to a letter dated August 21, 2018, SEBI took on record the addition of the Blackstone Sponsor to the sponsors of the Embassy REIT. 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’). The objectives of Embassy REIT are to undertake activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of Embassy 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.

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 March 22, 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at ₹ 300 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on April 1, 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 March 27, 2019 and were subsequently listed on the BSE and NSE on April 1, 2019.

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

1. Embassy Office Parks Private Limited (‘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 (‘QBPPL’)
9. Quadron Business Park Private Limited (‘QBPL’)
10. Oxygen Business Park Private Limited (‘Oxygen’)
11. Galaxy Square Private Limited (‘GSPL’)

Notes

to the Standalone financial statements

Details of SPVs are provided below

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 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 REIT.	Embassy Property Developments Private Limited (EPDPL): 50.00% EPDPL together with Jitendra Virwani: 0.00% (1 Share) SG Indian Holding (NQ) Co I Pte. Limited: 49.75% SG Indian Holding (NQ) Co II Pte. Limited: 0.03% SG Indian Holding (NQ) Co III Pte. Limited: 0.22%	Embassy Office Parks REIT: 100%
MPPL	Development and leasing of office space and related interiors (Manyata Embassy Business Park), located at Bengaluru.	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) located at Bengaluru.	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 SPVs of the Embassy Office Parks REIT located in Bengaluru.	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. Limited: 79.62% BREP VII GML Holding (NQ) Pte. Limited: 19.89% BREP Asia SBS GML Holding (NQ) Limited: 0.38% BREP VII SBS GML Holding (NQ) Limited: 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% Premsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT : 100%
QBPPL	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. Limited: 79.62% BREP VII NTPL Holding (NQ) Pte. Limited: 19.89% BREP VII SBS NTPL Holding (NQ) Limited: 0.38% BREP VII NTPL Holding (NQ) Limited: 0.11%	Embassy Office Parks REIT : 100%

Notes

to the Standalone financial statements

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
OBPPL	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. Limited: 79.61% BREP VII SG Oxygen Holding (NQ) Pte. Limited: 19.89% BREP Asia SBS Oxygen Holding (NQ) Limited: 0.39% BREP VII SBS Oxygen Holding (NQ) Limited: 0.11%	Embassy Office Parks REIT : 100%
VCPPL	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 Limited: 79.81% BREP VII HCC Holding (NQ) Pte Limited: 19.89% BREP Asia SBS HCC Holding (NQ) Limited: 0.19% BREP VII SBS HCC Holding (NQ) Limited: 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 Tech Park 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 Limited: 0.18% BREP VII SBS Holding (NQ) Co. XI Limited: 0.05%	Embassy Office Parks REIT : 100%

The Trust also holds economic interest in a joint venture (GolfLinks Software Park Private Limited (GLSP), entity incorporated in India) through a SPV as detailed below.

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
GLSP	Development and leasing of office space and related interiors (Embassy GolfLinks Business Park), located at Bengaluru.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

2. Significant accounting policies

2.1 Basis of preparation of Standalone financial statements

The Standalone financial statements of the Trust comprises the Standalone Balance Sheet and Statement of Net Assets at fair value as at March 31, 2020, the Standalone Statement of Profit and Loss, including other comprehensive income, the Standalone Statement of Cash Flow, the Statement of Net Distributable Cash flows, the Standalone Statement of Changes in Unitholder's Equity, Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2020. The Standalone financial statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on May 19, 2020.

The Standalone financial statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations"); Indian Accounting Standard as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the REIT regulations. Also refer Note 10(a) (i) on classification of Unitholders fund.

Notes

to the Standalone financial statements

Embassy Office Parks REIT has prepared Standalone financial statements which comply with Ind AS applicable for year ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these Standalone financial statements, Embassy Office Parks REIT's opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS. There were no adjustments made by the Trust in restating Indian GAAP financial statements, and accordingly disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

The Standalone financial statements are presented in Indian Rupees in million, except when otherwise indicated.

Statement of compliance to Ind-AS

These Standalone financial statements for the year ended March 31, 2020 are the separate financial statements of the Embassy Office Parks REIT and have been prepared in accordance with Indian Accounting Standards as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent not inconsistent with REIT regulations.

Changes in accounting policies and disclosures

New and amended standards

The Trust applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 2.2(m).

Several other amendments apply for the first time for the year ended March 31, 2020, but does not have an impact on the Standalone financial statements of the Trust.

2.2 Summary of significant accounting policies

a) Functional and presentation currency

The Standalone financial statements are presented in Indian Rupees, which is the Embassy Office Parks REIT's functional currency and the currency of the primary economic environment in which the Embassy Office Parks REIT 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 Standalone 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.

c) Use of judgements and estimates

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

Estimates 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 Standalone financial statements is included in the following notes:

i) Classification of lease arrangements as finance lease or operating lease – Note 2.2 (m)

ii) Classification of Unitholders' funds – Note 10 (a) (i)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment are included in the following notes –

i) Valuation of financial instruments – Refer Note 2.2 (h)

ii) 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(q)(ii).

iii) Estimation of uncertainties relating to the global health pandemic from COVID-19.

The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust. The Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at March 31, 2020 will be recovered. The impact of COVID-19 on the Trust's financial statements may differ from that estimated as at the date of approval of these Standalone financial statements.

iv) Impairment of investments and loans in subsidiaries
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments in subsidiaries are based on value in use of the underlying properties. The value in use calculation is based on discounted cash flow model. The key assumptions used to determine the recoverable amount are disclosed and further explained in Note 3.

v) Fair valuation and disclosures
SEBI Circulars issued under the REIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (Refer Statement of net assets at fair value and Statement of total returns at fair value for details).

d) Current versus non-current classification

The Embassy Office Parks REIT presents assets and liabilities in the Standalone 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 REIT classifies all other liabilities as non-current.

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

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

e) Measurement of fair values

A number of the Embassy Office Parks REIT 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 REIT. 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.

Notes

to the Standalone financial statements

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 REIT 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 REIT has an established control framework with respect to the measurement of fair values. The Embassy Office Parks REIT 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 REIT 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 –

- 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 REIT 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 REIT recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f) Impairment of non-financial assets

The Embassy Office Parks REIT 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 REIT estimates the asset's recoverable amount.

An impairment loss is recognised in the Standalone 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 REIT that generates cash flows that are largely independent from other assets and REITs. Impairment losses are recognised in the Standalone Statement of Profit and Loss, unless it reverses previous revaluation credited to equity, in which case it is charged to equity.

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.

g) Foreign currency transactions

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

Notes

to the Standalone financial statements

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 Standalone Statement of Profit and Loss of the year except exchange differences arising from the translation of the items which are recognised in OCI.

h) 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 REIT 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 REIT 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 REIT 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 REIT 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 REIT 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

Notes

to the Standalone financial statements

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 REIT'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 REIT'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 REIT 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 REIT 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 REIT'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.

Notes

to the Standalone financial statements

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 REIT 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 REIT 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 REIT enters into transactions whereby it transfers assets recognised in its Standalone 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 REIT derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Embassy Office Parks REIT 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 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 Standalone Balance Sheet when, and only when, the Embassy Office Parks REIT 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.

i) 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.

j) Impairment of financial assets

Financial assets
The Embassy Office Parks REIT 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 REIT 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

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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 REIT on terms that the Embassy Office Parks REIT 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 REIT 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 REIT 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 REIT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Embassy Office Parks REIT's historical experience and informed credit assessment and including forward-looking information.

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

- the borrower is unlikely to pay its credit obligations to the Embassy Office Parks REIT in full, without recourse by the Embassy Office Parks REIT 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 REIT and the cash flows that the Embassy Office Parks REIT 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 REIT 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 REIT's procedures for recovery of amounts due.

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Majority of the financial assets of the Embassy Office Parks REIT pertain to loans to subsidiaries and other receivables. Considering the nature of business, the Embassy Office Parks REIT does not foresee any credit risk on its loans and other receivables which may cause an impairment. Also, Embassy Office Parks REIT does not have any past history of significant impairment of other receivables.

k) Embedded derivatives

When the Embassy Office Parks REIT 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.

l) 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.

m) Leases (applicable with effect from April 1, 2019)

Embassy Office Parks REIT as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Embassy Office Parks REIT recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets are subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Embassy Office Parks REIT. Generally, the Embassy Office Parks REIT uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Embassy Office Parks REIT, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The Embassy Office Parks REIT recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Embassy Office Parks REIT recognises any remaining amount of the re-measurement in statement of profit and loss.

The Embassy Office Parks REIT has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Embassy Office Parks

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REIT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Embassy Office Parks REIT as a lessor

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 REIT 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 REIT to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Embassy Office Parks REIT'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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Trust has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 1, 2019. There has been no significant impact in view of adoption of Ind AS 116 for the year ended March 31, 2020. Further, the applicability of Ind AS 116 did not affect the revenue/ reserves of the Trust reported during earlier year. Ind AS 116 requires extensive disclosures. However, considering that the application did not have impact on the REIT, no further disclosure have been made.

The Trust is not a lessor or lessee for any lease contracts as at March 31, 2020.

n) Revenue recognition

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

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

Recognition of dividend income, interest income

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

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

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

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o) Investments in subsidiaries and joint ventures

The Trust accounts for its investments in subsidiaries and joint ventures at cost less accumulated impairment losses (if any) in its Standalone financial statements. Investments accounted for at cost are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

p) Borrowing costs

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

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

q) Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the Standalone 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.

(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;
- 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 REIT 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 tax rate (and tax 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 REIT 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

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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.

Tax impact of timing difference which arise during the tax holiday period are recognised only to the extent of those differences which are reversed after the tax holiday period.

r) Provisions and contingencies

The Embassy Office Parks REIT 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.

s) Operating segments

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

The Board of Directors of the Investment Manager allocate the resources and assess the performance of the Trust, thus are the Chief Operating Decision Maker (CODM). In accordance with the requirements of Ind AS 108 - "Segment Reporting", the CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed. As Embassy Office Parks REIT operates only in India, no separate geographical segment is disclosed.

t) Errors and estimates

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

u) Cash and cash equivalents

Cash and cash equivalents in the Standalone 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.

v) Cash distributions to Unitholders

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

w) Standalone Statement of Cash flows

Standalone 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 REIT are segregated.

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For the purpose of the Standalone 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 REIT's cash management.

x) Earnings per unit

The basic earnings per unit is computed by dividing the net profit/(loss) attributable to the Unitholders 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.

y) Earnings before finance costs, depreciation, amortisation, impairment loss and income tax

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

z) Distribution Policy

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to the Unitholders not less than ninety percent of the net distributable cash flows ('NDCF') of Embassy Office Parks REIT and the current policy of the Manager is to comply with such requirement. The NDCF is calculated in accordance with the REIT Regulations and in the manner provided in the NDCF framework defined by the Manager.

In terms of the REIT Regulations and NDCF framework which prescribes for the minimum amount of NDCF to be distributed to Embassy Office Parks REIT:

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.
- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.
- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPVs/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

Since Embassy Office Parks REIT has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, interim dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.

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3. Non-current investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade, unquoted, Investments in subsidiaries (at cost) (refer note below)			
- 405,940,204 (March 31, 2019: 405,940,204) equity shares of Umbel Properties Private Limited of ₹10 each, fully paid up	2,841.67	2,841.67	-
Less: Provision for impairment *	(587.46)	-	-
	2,254.21	**2,841.67**	**-**
- 8,703,248 (March 31, 2019 : 8,703,248) equity shares of Embassy Office Parks Private Limited of ₹10 each, fully paid up	62,768.25	62,768.25	-
- 727,538 (March 31, 2019: 727,538) equity shares of Manyata Promoters Private Limited of ₹10 each, fully paid up	48,790.52	48,790.52	-
- 271,611 (March 31, 2019: 271,611) equity shares of Qubix Business Park Private Limited of ₹10 each, fully paid up	5,595.08	5,595.08	-
- 1,884,747 (March 31, 2019: 1,884,747) equity shares of Oxygen Business Park Private Limited of ₹10 each, fully paid up	12,308.89	12,308.89	-
- 185,604,589 (March 31, 2019: 185,604,589) equity shares of Earnest Towers Private Limited of ₹10 each, fully paid up	12,138.78	12,138.78	-
- 6,134,015 (March 31, 2019: 6,134,015) equity shares of Vikhroli Corporate Park Private Limited of ₹10 each, fully paid up	10,710.94	10,710.94	-
- 124,561 (March 31, 2019: 124,561) equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹10 each, fully paid up	6,463.79	6,463.79	-
- 130,022 (March 31, 2019: 130,022) Class A equity shares of Indian Express Newspapers (Mumbai) Private Limited of ₹10 each, fully paid up	6,747.17	6,747.17	-
- 2,129,635 (March 31, 2019: 2,129,635) equity shares of Quadron Business Park Private Limited of ₹10 each, fully paid up	13,689.26	13,689.26	-
- 107,958 (March 31, 2019: 107,958) equity shares of Galaxy Square Private Limited of ₹100 each, fully paid up	4,662.50	4,662.50	-
- 1,999 (March 31, 2019: 1,999) equity shares of Embassy Energy Private Limited of ₹10 each, fully paid up	732.79	732.79	-
	184,607.97	**184,607.97**	**-**
	186,862.18	**187,449.64**	**-**
Aggregate amount of impairment recognised	587.46	-	-

Note:

The Trust has issued Units as consideration to acquire these investments wherein the tradable REIT Units have been valued at ₹ 300 each. Further the Trust has also paid a cash consideration of ₹ 3,450 million towards acquisition of interest in IENMPL.

* The recoverable amount of the investments in subsidiary has been computed based on value in use calculation of the underlying properties. The value in use calculation is based on discounted cash flow model. As at March 31, 2020, an amount of ₹ 587.46 million (March 31, 2019: ₹ Nil) has been provided as impairment on investment in a subsidiary Company, Umbel Properties Private Limited, which is in the business of hospitality operations. The impairment charge arose in UPPL (Hilton @ Embassy GolfLinks) mainly due to impact on occupancy given the current economic conditions due to Covid-19 pandemic. In determining value in use for investment in Umbel Properties Private Limited, the cash flows were discounted at the rate of 12.63%.

The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, revisiting the key operating assumptions as well as growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

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(all amounts in ₹ million unless otherwise stated)

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

Name of Subsidiary	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Embassy Office Parks Private Limited	100.00%	100.00%	-
Manyata Promoters Private Limited*	64.23%	64.23%	-
Umbel Properties Private Limited	100.00%	100.00%	-
Embassy Energy Private Limited **	19.99%	19.99%	-
Earnest Towers Private Limited	100.00%	100.00%	-
Indian Express Newspapers (Mumbai) Private Limited	100.00%	100.00%	-
Vikhroli Corporate Park Private Limited	100.00%	100.00%	-
Qubix Business Park Private Limited	100.00%	100.00%	-
Quadron Business Park Private Limited	100.00%	100.00%	-
Oxygen Business Park Private Limited	100.00%	100.00%	-
Galaxy Square Private Limited	100.00%	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.

4. Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Loan to subsidiaries – refer Note 25	65,142.57	4,681.93	-
Security deposits			
- others	1.00	31.00	-
	65,143.57	**4,712.93**	**-**

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) Early repayment option (wholly or partially) is available to the borrower (SPVs).

5. Current investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-trade, Unquoted, Investment in mutual funds			
HDFC Liquid Fund – Growth	1,010.72	-	-
HDFC Overnight Fund – Growth	255.01	-	-
ICICI Prudential Liquid Fund – Growth	1,350.77	-	-
IDFC Cash Fund – Growth	390.15	-	-
Axis Liquid Fund – Growth	202.42	-	-
Trade, unquoted investments measured at amortised cost			
- Investment in Debentures of a joint venture entity - refer note 25	724.38	-	-
2,500 (March 31, 2019: Nil) 8.5% debentures of ₹ 1 million each (current portion)			
	3,933.45	**-**	**-**

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(all amounts in ₹ million unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Investment measured at amortised cost	**724.38**	**-**	**-**
Investment measured at fair value through profit or loss	**3,209.07**	**-**	**-**
Investments measured at fair value through other comprehensive income	**-**	**-**	**-**
Aggregate amount of impairment recognised	**-**	**-**	**-**

Terms attached to Investment in Debentures of a joint venture entity

1. 2,500 (March 31, 2019 ₹ Nil) unlisted, unrated, secured redeemable, non-convertible debentures of GolfLinks Software Park Private Limited with face value of ₹1,000,000 each. Outstanding as on March 31, 2020 ₹724.38 million (March 31, 2019 ₹ Nil).
2. **Interest Rate :** 8.50% p.a. on monthly outstanding balance.
3. **Security :** The debentures are secured by first ranking exclusive security interest over Torrey Pines building.
4. **Redemption :** Debentures shall be redeemed in 16 monthly installment (principal and interest) of ₹ 160.00 million each and 17th installment of ₹ 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

6. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with banks			
- in current accounts *	2,845.19	0.50	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others **	-	42,818.03	-
	2,845.45	**42,818.53**	**-**

* Balance in current accounts includes cheques on hand received from SPVs in respect of interest/principal repayments of loans for the year ended March 31, 2020 amounting to ₹2,121.94 million (March 31, 2019 : ₹ Nil).

** Represents balance Nil (March 31, 2019: ₹ 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds ₹ 47,499.96 million). As at March 31, 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

7. Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Loan to subsidiaries- refer Note 25	620.00	-	-
	620.00	**-**	**-**

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.

Repayment: Bullet repayment and to be payable within 364 days from the date of disbursement. Early repayment option (wholly or partially) is available to the borrower (SPVs).

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(all amounts in ₹ million unless otherwise stated)

8. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other receivables	3.15	-	-
	3.15	**-**	**-**

9. Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Advance for supply of goods and rendering of services	0.44	-	
Balances with government authorities	8.82	-	
Prepayments	38.16	-	-
	47.42	**-**	**-**

10. Unit capital

Unit Capital	No in million	Amount
As at April 1, 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 below)	-	(2,460.34)
As at March 31, 2019	**771.67**	**229,039.26**
As at April 1, 2019	**771.67**	**229,039.26**
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at March 31, 2020	**771.67**	**229,120.96**

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders' capital as at March 31, 2019 in accordance with Ind AS 32 Financial Instruments: Presentation. Further, during the year ended March 31, 2020, excess provision no longer payable, has been reversed amounting to ₹81.70 million.

(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 Board of Directors of 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.

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

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(all amounts in ₹ million unless otherwise stated)

(ii) Initial Public Offering of 158,333,200 Units for cash at price of ₹ 300 per Unit aggregating to ₹ 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 ₹ 300 each as per the table below and the Trust has also paid a cash consideration of ₹ 3,450 million towards acquisition of interest in IENMPL.

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 Sponsor)	Other 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**

(b) Unit holders holding more than 5 percent Units in the Trust

Name of the share holder	As at March 31, 2020		As at March 31, 2019	
	No of Units	% holding	No of Units	% holding
Embassy Property Developments Private Limited	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co I Pte Limited	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
Bre/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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

11. Other equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Retained earnings *	(8,784.65)	(94.47)	-
	(8,784.65)	**(94.47)**	**-**

*Refer Standalone Statement of changes in Unitholder's Equity for detailed movement in other equity balances.

Retained earnings

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

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(all amounts in ₹ million unless otherwise stated)

12. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured			
36,500 (March 31, 2019 : Nil) Embassy REIT Series I NCD 2019, face value of ₹1,000,000 each (net of issue expenses, at amortised cost)			
- Tranche I	32,351.18	-	-
- Tranche II	6,667.66	-	-
	39,018.84	**-**	**-**

Note:

(i) In May 2019, the Trust issued 30,000 (March 31, 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of ₹ 1 million each amounting to ₹ 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on June 2, 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

The Tranche I and Tranche II NCD described above were listed on the Bombay Stock Exchange on May 15, 2019 and November 28, 2019 respectively.

Security terms

The NCD's are secured against each of the following in favour of the Security Trustee (holding for the benefit of the Debenture Trustee and ranking *pari passu* inter se the Debenture Holders):

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".

2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPVs namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".

3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables.

4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.

5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on 2 June 2022.

2. Tranche I debentures have a redemption premium of 9.4% IRR compounded annually and Tranche II debentures have a redemption premium of 9.05% IRR compounded annually.

3. In case of downgrading of credit rating, the IRR shall increase by 0.25% - 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating , the IRR shall restore/decrease by 0.25% - 1.00% over and above the applicable IRR calculated from the date of change of rating.

4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

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

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	June 2, 2022	June 2, 2022

6. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019.

7. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

Particulars	As at March 31, 2020
Asset cover ratio (refer a below)	11.76%
Debt -equity ratio (refer b below)	0.18
Debt-service coverage ratio (refer c below)	2.92
Interest-service coverage ratio (refer d below)	2.92
Net worth (refer e below)	220,336.31

Formulae for computation of ratios are as follows basis Standalone financial statements :-

a) Asset cover ratio = Total borrowings/Gross asset value of the Group as computed by independent valuers

b) Debt equity ratio* = Total borrowings/Unitholders' Equity

c) Debt Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/(Finance costs + Principal Repayments made during the period)

d) Interest Service Coverage Ratio = Earnings before Depreciation, Finance costs, Impairment loss and Tax/Finance costs (net of capitalisation)

e) Net worth = Unit capital + Other equity

* Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings and Unitholder's Equity = Unit Capital + Other equity

13. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payable			
- Total outstanding dues to micro and small enterprises (refer note (ii) below)	-	-	-
- Total outstanding dues other than micro and small enterprises			
- to related party- refer Note 25	4.66	-	-
- to others	2.02	-	-
	6.68	**-**	**-**

Notes:

(i) All the trade payables are current in nature. The Trust's exposure to currency and liquidity risks related to trade payables is disclosed in Note :27.

(ii) The Trust does not have any dues of principal or interest to micro and small enterprises as at March 31, 2020 and March 31, 2019.

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

14. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unclaimed distribution	0.26	-	-
Other liabilities			
- to related party - refer Note 25	55.46	462.98	-
- to others*	32.76	5,573.33	-
	88.48	**6,036.31**	**-**

* Includes liability of ₹ Nil (March 31, 2019 ₹3,450 million) towards acquisition of equity shares of Indian Express Newspapers (Mumbai) Private Limited.

15. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues	4.37	-	-
	4.37	**-**	**-**

16. Current tax liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for income-tax, net of advance tax	0.54	-	-
	0.54	**-**	**-**

17. Interest income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- on fixed deposits	13.43	-
- on debentures (refer note 25)	144.38	-
- on loan to subsidiaries (refer note 25)	8,071.20	-
	8,229.01	**-**

18. Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gain/(loss) on mutual funds *	154.08	-
Miscellaneous	1.26	-
	155.34	**-**

* Includes net changes in fair value of mutual funds for the year ended March 31, 2020 of ₹ 1.72 million (March 31, 2019 of ₹ Nil).

19. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank charges	0.26	-
Rates and taxes	1.48	-
Travelling and conveyance	0.17	-
Marketing and advertisement expenses	15.56	93.28
Miscellaneous expenses	0.68	-
	18.15	**93.28**

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

20. Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- Accrual of premium on redemption of debentures	2,850.33	-
	2,850.33	**-**

Note: The debentures will be redeemed on June 2, 2022. (Refer note 12)

21. Tax expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	71.17	-
	71.17	**-**

Reconciliation of tax expense and the profit multiplied by tax rate

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	4,885.14	(94.47)
Domestic tax rate	42.74%	35.88%
Tax using the Trust's domestic tax rate	2,088.10	-
Effect of exempt incomes	(3,635.61)	-
Effect of non-deductible expenses	1,619.65	-
Others	(0.97)	-
Tax expense	71.17	-

22. Auditor's remuneration

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
- statutory audit	3.10	1.18
- limited review	4.10	-
Reimbursement of expenses	0.44	0.01
	7.64	**1.19**

23. Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to Unitholders by the weighted average number of units outstanding during the year. Diluted EPU amounts are calculated by dividing the profit attributable to Unitholders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The Units of the Trust were allotted on March 22, 2019 and March 27, 2019.

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(all amounts in ₹ million unless otherwise stated)

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) after tax for calculating basic and diluted EPU	4,813.97	(94.47)
Weighted average number of Units (No. in million)	771.67	18.10
Earnings Per Unit		
- Basic (Rupees/unit)	6.24	(5.22)
- Diluted (Rupees/unit) *	6.24	(5.22)

* The Trust does not have any outstanding dilutive units.

24. Commitments and contingencies

a) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Guarantee given to a Bank for loan obtained by a SPV	8,400.00	-	-

Note

Trust has given an irrevocable and unconditional Corporate guarantee dated December 27, 2019, in favour of Catalyst Trusteeship Limited (Trustee) towards the term loan facility of ₹8,400 million by State Bank of India (Lender) to Manyata Promoters Private Limited (Borrower), an Embassy REIT SPV; to forthwith pay the Lender the outstanding amount of loan on demand by the Lender, upon the failure to make any payments/repayments of the outstanding amounts (or any part thereof) on the respective due dates by Borrower.

b) Statement of capital and other commitments

i) There are no capital commitments as at March 31, 2020, March 31, 2019 and April 1, 2018.

ii) The Trust is committed to provide financial support to some of its subsidiaries to ensure that these entities operate on going concern basis and are able to meet their debts and liabilities as they fall due.

25. Related party disclosures

I. List of related parties as at March 31, 2020 (refer notes below)

A. Parties to Embassy Office Parks REIT

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

The co-sponsor groups consist of the below entities

Embassy Property Developments Private Limited - Co-Sponsor

Embassy One Developers Private Limited
D M Estates Private Limited
Embassy Services Private Limited
GolfLinks Properties Private Limited

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(all amounts in ₹ million unless otherwise stated)

BRE/Mauritius Investments - Co-Sponsor
SG Indian Holding (NQ) Co. I Pte. Limited
SG Indian Holding (NQ) Co. II Pte. Limited
SG Indian Holding (NQ) Co. III Pte. Limited
BRE/Mauritius Investments II;
BREP NTPL Holding (NQ) Pte Limited
BREP VII NTPL Holding (NQ) Pte Limited
BREP Asia SBS NTPL Holding (NQ) Limited
BREP VII SBS NTPL Holding (NQ) Limited
BREP GML Holding (NQ) Pte Limited
BREP VII GML Holding (NQ) Pte Limited
BREP Asia SBS GML Holding (NQ) Limited
BREP VII SBS GML Holding (NQ) Limited
BREP Asia SG Oxygen Holding (NQ) Pte Limited
BREP VII SG Oxygen Holding (NQ) Pte Limited
BREP Asia SBS Oxygen Holding (NQ) Limited
BREP VII SBS Oxygen Holding (NQ) Limited
BREP Asia HCC Holding (NQ) Pte Limited
BREP VII HCC Holding (NQ) Pte Limited
BREP Asia SBS HCC Holding (NQ) Limited
BREP VII SBS HCC Holding (NQ) Limited
India Alternate Property Limited
BREP Asia SG Indian Holding (NQ) Co II Pte. Limited
BREP VII SG Indian Holding (NQ) Co II Pte. Limited
BREP Asia SBS Holding-NQ CO XI Limited
BREP VII SBS Holding-NQ CO XI Limited

Directors and Key managerial personnel's of the Investment Manager (Embassy Office Parks Management Services Private Limited)

Directors
Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri (w.e.f. August 6, 2018)
Punita Kumar Sinha (w.e.f. August 6, 2018)
Robert Christopher Heady (w.e.f. August 6, 2018)
Aditya Virwani (w.e.f. August 6, 2018)
Asheesh Mohta - Director (w.e.f. June 28, 2019, alternate to Robert Christopher Heady)

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

(i) Subsidiary (SPV)
Embassy Office Parks Private Limited
Manyata Promoters Private Limited
Umbel Properties Private Limited
Embassy Energy Private Limited
Earnest Towers Private Limited
Indian Express Newspapers (Mumbai) Private Limited
Vikhroli Corporate Park Private Limited
Qubix Business Park Private Limited
Quadron Business Park Private Limited
Oxygen Business Park Private Limited
Galaxy Square Private Limited
Embassy Pune TechZone Private Limited (w.e.f. December 6, 2019)

(ii) Joint Venture
GolfLinks Software Park Private Limited

B. Other related parties with whom the transactions have taken place during the year
Embassy One Developers Private Limited
Embassy Shelters Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP

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(all amounts in ₹ million unless otherwise stated)

C. Transactions during the year

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Unsecured loans given to		
Quadron Business Park Private Limited	7,509.00	4,681.93
Embassy Office Parks Private Limited	5,858.30	-
Manyata Promoters Private Limited	28,423.10	-
Qubix Business Park Private Limited	3,179.90	-
Oxygen Business Park Private Limited	4,030.30	-
Earnest Towers Private Limited	1,029.30	-
Vikhroli Corporate Park Private Limited	4,766.70	-
Galaxy Square Private Limited	2,549.80	-
Umbel Properties Private Limited	1,795.20	-
Indian Express Newspapers (Mumbai) Private Limited	3,764.00	-
Embassy Energy Private Limited	6,400.00	
Short term construction loan given		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Embassy Office Parks Private Limited	620.00	-
Investment in debentures		
GolfLinks Software Park Private Limited	2,500.00	-
Redemption of investment in debentures		
GolfLinks Software Park Private Limited	1,775.62	-
Unsecured loans repaid by		
Embassy Office Parks Private Limited	1,674.34	-
Manyata Promoters Private Limited	4,843.37	-
Qubix Business Park Private Limited	299.91	-
Oxygen Business Park Private Limited	247.68	-
Earnest Towers Private Limited	739.62	-
Vikhroli Corporate Park Private Limited	268.88	-
Galaxy Square Private Limited	284.91	-
Umbel Properties Private Limited	69.40	-
Indian Express Newspapers (Mumbai) Private Limited	429.97	-
Embassy Energy Private Limited	378.53	-
Short term construction loan repaid by		
Manyata Promoters Private Limited	3,050.00	-
Oxygen Business Park Private Limited	3,310.00	-
Investment in equity shares of SPVs		
Embassy Office Parks Private Limited	-	62,768.25
Manyata Promoters Private Limited	-	48,790.52
Quadron Business Park Private Limited	-	13,689.26
Oxygen Business Park Private Limited	-	12,308.89
Earnest Towers Private Limited	-	12,138.78
Vikhroli Corporate Park Private Limited	-	10,710.94
Qubix Business Park Private Limited	-	5,595.08
Galaxy Square Private Limited	-	4,662.50
Umbel Properties Private Limited	-	2,841.67
Indian Express Newspapers (Mumbai) Private Limited	-	13,210.97
Embassy Energy Private Limited	-	732.79
Margin money kept on behalf of Trust		
Embassy Office Parks Management Services Private Limited	-	20.00
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	-

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Investment management fees		
Embassy Office Parks Management Services Private Limited	214.81	-
Trademark license fees		
Embassy Shelters Private Limited	1.42	-
Trustee fee expenses		
Axis Trustee Services Limited	2.96	-
Marketing and advertisement expenses		
Mac Charles (India) Limited	0.48	-
Lounge Hospitality LLP	0.06	-
Travelling and conveyance		
Quadron Business Park Private Limited	0.02	-
Initial receipt from Co-sponsor-received/(repaid)		
Embassy Property Development Private Limited	-	0.50
Interest income		
Quadron Business Park Private Limited	1,506.91	-
Embassy Office Parks Private Limited	698.56	-
Manyata Promoters Private Limited	3,098.72	-
Qubix Business Park Private Limited	383.45	-
Oxygen Business Park Private Limited	510.82	-
Earnest Towers Private Limited	66.13	-
Vikhroli Corporate Park Private Limited	582.18	-
Galaxy Square Private Limited	305.21	-
Umbel Properties Private Limited	220.77	-
Indian Express Newspapers (Mumbai) Private Limited	414.35	-
Embassy Energy Private Limited	284.10	-
Interest received on debentures		
GolfLinks Software Park Private Limited	144.38	-
Dividend Received		
Embassy Energy Private Limited	6.00	-
Indian Express Newspapers (Mumbai) Private Limited	95.72	-
Oxygen Business Park Private Limited	188.25	-
Deposits paid on behalf of Trust/Repaid by Trust		
Embassy Office Parks Private Limited	-	31.00
Reimbursement of expenses		
Embassy Office Parks Private Limited	-	174.79
Manyata Promoters Private Limited	-	5.96
Qubix Business Park Private Limited	-	9.33
Oxygen Business Park Private Limited	-	9.11
Earnest Towers Private Limited	-	3.96
Vikhroli Corporate Park Private Limited	-	7.65
Quadron Business Park Private Limited	-	7.90
Galaxy Square Private Limited	-	9.10
Umbel Properties Private Limited	-	10.30
Embassy Energy Private Limited	-	6.15
Indian Express Newspapers (Mumbai) Private Limited	-	20.19
Embassy One Developers Private Limited	-	9.54
Embassy Office Parks Management Services Private Limited	56.26	157.50
Issue of Unit capital		
Embassy Property Development Private Limited	-	34,645.44
SG Indian Holding (NQ) Co I Pte. Limited.	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39
BRE/Mauritius Investments	-	28,083.23

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India Alternate Property Limited	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10
BRE/Mauritius Investments II	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01
Guarantee given to bank for loan obtained by SPV		
Manyata Promoters Private Limited	8,400.00	-

D. Closing balances

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured loan receivable (non-current)			
Quadron Business Park Private Limited	12,582.58	4,681.93	-
Embassy Office Parks Private Limited	4,183.96	-	-
Manyata Promoters Private Limited	23,579.73	-	-
Qubix Business Park Private Limited	2,879.99	-	-
Oxygen Business Park Private Limited	3,782.62	-	-
Earnest Towers Private Limited	289.68	-	-
Vikhroli Corporate Park Private Limited	4,497.82	-	-
Galaxy Square Private Limited	2,264.89	-	-
Umbel Properties Private Limited	1,725.80	-	-
Indian Express Newspapers (Mumbai) Private Limited	3,334.03	-	-
Embassy Energy Private Limited	6,021.47	-	-
Short term construction loan			
Embassy Office Parks Private Limited	620.00	-	-
Investment in Debentures (current)			
GolfLinks Software Park Private Limited	724.38	-	-
Investment in equity shares of subsidiary			
Embassy Office Parks Private Limited	62,768.25	62,768.25	-
Manyata Promoters Private Limited	48,790.52	48,790.52	-
Quadron Business Park Private Limited	13,689.26	13,689.26	-
Oxygen Business Park Private Limited	12,308.89	12,308.89	-
Earnest Towers Private Limited	12,138.78	12,138.78	-

Notes

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(all amounts in ₹ million unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Vikhroli Corporate Park Private Limited	10,710.94	10,710.94	-
Qubix Business Park Private Limited	5,595.08	5,595.08	-
Galaxy Square Private Limited	4,662.50	4,662.50	-
Umbel Properties Private Limited	2,254.21	2,841.67	-
Indian Express Newspapers (Mumbai) Private Limited	13,210.97	13,210.97	-
Embassy Energy Private Limited	732.79	732.79	-
Other Liabilities			
Embassy Office Parks Private Limited	-	205.79	-
Manyata Promoters Private Limited	-	5.96	-
Qubix Business Park Private Limited	-	9.33	-
Oxygen Business Park Private Limited	-	9.11	-
Earnest Towers Private Limited	-	3.96	-
Vikhroli Corporate Park Private Limited	-	7.65	-
Quadron Business Park Private Limited	-	7.90	-
Galaxy Square Private Limited	-	9.10	-
Umbel Properties Private Limited	-	10.30	-
Embassy Energy Private Limited	-	6.15	-
Indian Express Newspapers (Mumbai) Private Limited	-	20.19	-
Embassy One Developers Private Limited	-	9.54	-
Embassy Office Parks Management Services Private Limited	55.46	157.50	-
Trade Payables			
Embassy Office Parks Management Services Private Limited	4.66	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Initial refundable receipt from Co-sponsor			
Embassy Property Development Private Limited	-	0.50	-
Guarantee given to bank for loan obtained by SPV			
Manyata Promoters Private Limited	8,400.00	-	-

26. Details of utilisation of proceeds of IPO are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2019	Unutilised amount as at March 31, 2019	Actual utilisation upto March 31, 2020	Unutilised amount as at March 31, 2020
Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	**47,500.00**	**4,681.93**	**42,818.07**	**47,500.00**	**-**

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

27. Financial instruments

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

Particulars	Carrying value March 31, 2020	Fair Value March 31, 2020	Carrying value March 31, 2019	Fair Value March 31, 2019
Financial assets				
Fair value through profit and loss				
Investments in mutual funds	3,209.07	3,209.07	-	-
Amortised cost				
Investments	724.38	-	-	-
Loans	65,763.57	-	4,712.93	-
Cash and cash equivalents	2,845.45	-	42,818.53	-
Other financial assets	3.15	-	-	-
Total assets	**72,545.62**	**3,209.07**	**47,531.46**	**-**
Financial liabilities				
Amortised cost				
Borrowings	39,018.84	38,984.00	-	-
Other financial liabilities	88.48	-	6,036.31	-
Trade payables	6.68	-	-	-
Total liabilities	**39,114.00**	**38,984.00**	**6,036.31**	**-**

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

b) Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

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

To provide an indication about the reliability of the inputs used in determining fair value, the trust has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at end of reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

c) Financial instruments

Quantitative disclosures of fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	March 31, 2020	3,209.07	3,209.07	-	-
Investment in mutual funds	March 31, 2019	-	-	-	-

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(all amounts in ₹ million unless otherwise stated)

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

There were no transfers between Level 1, Level 2 or Level 3 during the year ended March 31, 2020 and year ended March 31, 2019.

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.

iii) The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cash flows discounted at the current market rate.

e) Financial risk management

The Trust has exposure to following risks arising from financial instruments:

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

a) Risk management framework

The Board of Directors of the Manager of the Trust has overall responsibility for the establishment and oversight of the Trust's risk management framework. The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

The Board of Directors of the Manager of the Trust, monitors compliance with the Trust's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

b) Credit risk

Credit risk is the risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Trust's receivables from loans given to its SPVs and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

The Trust establishes an allowance account for impairment that represents its estimate of losses in respect of its financial assets. The main component of this allowance is estimated losses that relate to specific tenants or counterparties. The allowance account is used to provide for impairment losses. Subsequently when the Trust is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated and have low risk.

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

c) Liquidity Risk

Liquidity risk is the risk that the trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The trust's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the trust's reputation.

Management monitors rolling forecasts of the trust's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management

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(all amounts in ₹ million unless otherwise stated)

of the trust in accordance with practice and limits set by the trust. In addition, the trust's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet those, monitoring balance sheet liquidity ratios and maintaining debt refinancing plans.

Maturities of financial liabilities

The following are the Trust's remaining contractual maturities of financial liabilities as the reporting date. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust may be required to pay and includes contractual interest payments and excludes the impact of netting agreements. The Trust believes that the working capital is sufficient to meet its current requirements, accordingly no liquidity risk is perceived.

Particulars	Carrying value	Contractual cash flows				
		0 - 12 months	1-2 years	3-5 years	More than 5 years	Total
March 31, 2020						
Borrowings	39,018.84	-	47,697.70	-	-	47,697.70
Trade payables	6.68	6.68	-	-	-	6.68
Other financial liabilities - current	88.48	88.48	-	-	-	88.48
Total	**39,114.00**	**95.16**	**47,697.70**	**-**	**-**	**47,792.86**
March 31, 2019						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities - current	6,036.31	6,036.31	-	-	-	6,036.31
Total	**6,036.31**	**6,036.31**	**-**	**-**	**-**	**6,036.31**

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

i. **Currency risk**
Majority of transitions entered into by the Trust are denominated in Indian Rupees. Accordingly the Trust does not have any currency risk.

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

iii. **Price risk**
Price risk if the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Trust has no material exposure to equity securities price risk and is not exposed to commodity risk. The Trust's exposure to price risk arises from investments held by the Trust in mutual funds and classified in the balance sheet as fair value through statement of profit or loss. The fair value of these investments is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Trust are mainly investments in liquid and overnight debt mutual funds and accordingly no material volatility is expected.

Mutual funds price risk sensitivity analysis
The Trust's exposure to price risk arises from investments held by the Trust and classified in the balance sheet as fair value through statement of profit or loss.

Particulars	March 31, 2020	March 31, 2019
Increase by 1% (100 basis points)	32.09	-
Decrease by 1% (100 basis points)	(32.09)	-

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to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

28. Capital management

The Trust's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Trust's capital structure mainly constitutes equity in the form of unit capital and debt. The projects of SPVs are initially funded through construction financing arrangements. On completion, these loans are restructured into lease-rental discounting arrangements or debentures. The Trust's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Trust monitors Capital using ratio of 'Net debt' to 'Gross asset value (GAV) of all SPVs. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings. The Trust's adjusted Net debt to GAV ratio as at March 31, 2020 is as follows:

Particulars	March 31, 2020	March 31, 2019
Net debt	39,018.84	-
GAV	331,685.00	-
Net debt to GAV	11.76%	-

29. Details of utilisation of proceeds of issue of Embassy REIT Series I NCD 2019 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2020	Unutilised amount as at March 31, 2020
Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs' and granting of shareholder debt to SPVs'	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	**36,500.00**	**36,500.00**	**-**

30. Reconciliation of movements of financial liabilities to cash flows arising from financing activities

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Opening balance	-	-
Changes from financing cash flows		
Proceeds from Issue of Non-convertible debentures (Net of issue expenses)	36,168.51	-
Other changes		
Accrual of premium on redemption of debentures	2,850.33	-
Closing balance	**39,018.84**	**-**

31. Segment Reporting

The Trust does not have any Operating segments as at March 31, 2020 and hence, disclosure under Ind AS 108, Operating segments has not been provided in the Standalone financial statements.

32. In preparing these Standalone financial statements, the Trust's opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS.

33. 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.

Notes

to the Standalone financial statements

(all amounts in ₹ million unless otherwise stated)

34. Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on May 19, 2020, have declared distribution to Unitholders of ₹ 6.89 per unit which aggregates to ₹ 5,316.77 million for the quarter ended March 31, 2020. The distributions of ₹ 6.89 per unit comprises ₹ 2.49 per unit in the form of interest payment, ₹ 0.23 per unit in the form of dividend and the balance ₹ 4.17 per unit in the form of amortisation of SPV debt.

Along with distribution of ₹ 13,504.15 million/₹ 17.50 per unit for the nine-months ended December 31, 2019, the cumulative distribution for the year ended March 31, 2020 aggregates to ₹ 18,820.92 million/₹ 24.39 per unit.

35. The Standalone financial statements of the Embassy Office Parks REIT for the year ended March 31, 2019 have been audited by a firm of Chartered Accountants other than S R Batliboi & Associates LLP.

The accompanying notes referred to above are an integral part of Standalone financial statements.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Independent Auditor's Report

To the Unitholders' of Embassy Office Parks REIT

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Embassy Office Parks REIT (hereinafter referred to as "the REIT"), its subsidiaries and a Joint venture (together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Unitholders' Equity for the year then ended and the consolidated Statement of Net Assets at fair value as at March 31, 2020 and the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the REIT and each of its subsidiaries for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the Joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 (the "REIT regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity for the year ended March 31, 2020, its consolidated net assets at fair value as at March 31, 2020, its consolidated total returns at fair value and the net distributable cash flows of the REIT and each of its subsidiaries for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the REIT Regulations, 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 audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 48(iv) to the Consolidated Ind AS financial statements which refers to the uncertainty in relation to two pending cases, as regards Property tax dues aggregating to ₹3,313.08 million payable by Manyata Promoters Private Limited, before judicial forums as at March 31, 2020. Based on legal opinions obtained and pending outcome of such legal matter no provision has been made in these Consolidated Ind AS financial statements.

Our opinion is not modified in respect to the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessing impairment of Goodwill, Intangible assets with indefinite useful life, Investment property and Property, plant and equipment	
(as described in note 2.2 (c), 6 and 7 of the consolidated Ind AS financial statements)	
Goodwill and other Intangible assets with indefinite useful life, acquired in a business combination, are significant items on the balance sheet and management performs impairment testing for such goodwill and intangible assets, annually. Further, the Group's carrying value of Investment properties is ₹195,849.87 million (including properties under construction – ₹1,773.39 million) and carrying value of Property, plant and equipment is ₹23,033 million (including capital work-in-progress – ₹2,334.07 million) as at March 31, 2020, which is also subject to impairment testing. During the current year, impairment indicators were identified by the management for certain Cash Generating Units in relation to its hospitality segment. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill and other Intangible assets with indefinite useful life had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognised. Similarly, for ensuring that its investment properties and property, plant and equipment are carried at no more than their recoverable amount, the recoverable amount, i.e. value in use, is determined by forecasting and discounting future cash flows. Considering the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.	Our audit procedures included the following: - Assessed the management's valuation methodology applied in determining the recoverable amounts. - Evaluated management's identification of CGU's, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the applicable accounting standards. - We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - We read/assessed the disclosures in the consolidated Ind AS financial statements for compliance with the relevant accounting standards requirements.
Classification of Unitholders' funds as equity	
(as described in note 22(a)(i) of the consolidated Ind AS financial statements)	
The REIT is required to distribute to its Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the REIT to pay cash distributions to its Unitholders. The Unitholders' funds could have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/141/2016 dated December 26, 2016 and No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circulars") issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated December 26, 2016 dealing with the minimum disclosures for key financial statements. Based on the above, the classification of Unitholders' funds as equity involved considerable management judgement. Accordingly, it is considered as a key audit matter.	Our audit procedures included evaluating the requirements for classification of financial liability and equity under Ind AS 32 and evaluating the provisions of SEBI Circulars for classification/presentation of Unitholders' funds in the consolidated Ind AS financial statements of the REIT. We assessed the disclosures in the consolidated Ind AS financial statements for compliance with the relevant requirements of REIT regulations.

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
Computation and disclosures as prescribed in the REIT regulations relating to Statement of Net Assets and Total Returns at Fair Value	
(as described in note 2.2(c) and in Statement of Net assets at fair value and Statement of total returns at fair value of the consolidated Ind AS financial statements)	
As per the provisions of REIT Regulations, the REIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The determination of fair value involves judgement due to inherent uncertainty in the underlying assumptions and it is highly sensitive to changes in some of the inputs used e.g. the discounting rate (WACC), capitalisation rates, rental growth rates etc. Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures include the following- - Read the requirements of SEBI REIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. - Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. - Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. - We involved valuation specialists to: (a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. (b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. (c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. - Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value. - Read/Assessed the disclosures in the consolidated financial statements for compliance with the relevant requirements of REIT Regulations.
Related party transactions and disclosures	
(as described in note 54 of the consolidated Ind AS financial statements)	
The Group has undertaken transactions with its related parties in the normal course of business. These include making acquisition of property; capital advances, fees for certain services provided by related parties to Group; fees for certain services provided by Group to related parties, etc. as disclosed in Note 54 of the consolidated Ind AS financial statements. We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the consolidated Ind AS financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2020 and regulatory compliance thereon.	Our audit procedures included the following: - Obtained, read and assessed the Group's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with REIT regulations. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorisation and approval for such transactions. - We read minutes of Unitholder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager and SPVs in connection with transactions with related parties effected during the year and Group's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with REIT regulations. - Assessed and tested the disclosures made in accordance with the requirements of Ind AS and REIT regulations.

Other Information

The Management of Embassy Office Parks Management Services Private Limited ("the Manager"), acting in its capacity as the manager of Embassy Office Parks REIT is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Management of the Manager ('the Management') is responsible for the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position as at March 31, 2020, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholders' equity for the year ended March 31, 2020, its consolidated net assets at fair value as at March 31, 2020, its consolidated total returns at fair value of the REIT and the net distributable cash flows of the of the REIT and each of its subsidiaries for the year ended March 31, 2020 in accordance with the requirements of the REIT regulations; Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with REIT regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 consolidated Ind AS financial statements by the Management, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The Management and respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial

Independent Auditor's Report

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 consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 consolidated Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated 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.

We communicate with those charged with governance of the REIT and such other entities included in the consolidated Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The consolidated Ind AS financial statements include the Group's share of net profit of ₹ 1,301.25 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of a Joint venture, whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this Joint venture, is based solely on the report of such other auditor.

(b) The Ind AS financial statements of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018, prepared in accordance with Ind AS, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated August 12, 2019, expressed an unmodified opinion.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of Joint venture, we report that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements; and

(c) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), to the extent not inconsistent with REIT regulations.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per **Adarsh Ranka**
Partner
Membership Number: 209567
UDIN: 20209567AAAABX3303

Place: Bengaluru, India
Date: May 19, 2020

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

(all amounts in ₹ million unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Non-current assets				
Property, plant and equipment	3	20,698.93	21,295.50	-
Capital work-in-progress	4	2,334.07	1,220.52	-
Investment property	5	194,076.48	189,548.97	-
Investment property under development	8	1,773.39	3,797.25	-
Goodwill	6	50,289.37	51,699.22	-
Intangible assets	7	5,001.36	5,018.78	-
Equity accounted investee	9	24,091.36	23,574.23	-
Financial assets				
- Investments	10	-	489.29	-
- Loans	12	668.71	583.63	-
- Other financial assets	13	1,188.54	2,216.54	-
Non-current tax assets (net)	14	1,554.70	1,418.90	-
Other non-current assets	15	16,475.64	11,190.69	-
Total non-current assets		**318,152.55**	**312,053.52**	**-**
Current assets				
Inventories	16	12.82	5.42	-
Financial assets				
- Investments	11	12,273.59	1,455.58	-
- Trade receivables	17	242.25	335.86	-
- Loans	18	51.49	955.96	-
- Cash and cash equivalents	19A	3,249.16	49,612.75	-
- Other bank balances	19B	169.79	1,455.99	-
- Other financial assets	20	399.46	750.21	-
Other current assets	21	351.22	322.50	-
Total current assets		**16,749.78**	**54,894.27**	**-**
Total assets		**334,902.33**	**366,947.79**	**-**
EQUITY AND LIABILITIES				
EQUITY				
Unit capital	22	229,120.96	229,039.26	-
Other equity	23	(5,943.12)	(94.47)	-
Total equity		**223,177.84**	**228,944.79**	**-**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	24	56,170.51	68,033.29	-
- Other financial liabilities	25	3,118.65	2,781.04	-
Provisions	27	5.25	5.08	-
Deferred tax liabilities (net)	26	40,407.38	41,424.39	-
Other non-current liabilities	28	386.70	642.14	-
Total non-current liabilities		**100,088.49**	**112,885.94**	**-**
Current liabilities				
Financial liabilities				
- Borrowings	29	-	3,171.09	-
- Trade payables	30			
- total outstanding dues of micro and small enterprises		2.48	-	-
- total outstanding dues of creditors other than micro and small enterprises		252.27	421.87	-
- Other financial liabilities	31	10,562.79	20,778.67	-
Provisions	32	2.37	3.01	-
Other current liabilities	33	781.58	708.84	-
Current tax liabilities (net)	34	34.51	33.58	-
Total current liabilities		**11,636.00**	**25,117.06**	**-**
Total equity and liabilities		**334,902.33**	**366,947.79**	**-**
Significant accounting policies	2			

The accompanying notes referred to above are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Consolidated Statement of Profit and Loss

(all amounts in ₹ million unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019*
Income and gains			
Revenue from operations	35	21,449.22	-
Interest	36	477.35	-
Other income	37	513.00	-
Total Income		**22,439.57**	**-**
Expenses			
Cost of materials consumed	38	118.94	-
Employee benefits expense	39	377.17	-
Operating and maintenance expenses	40	627.46	-
Repairs and maintenance	42	1,215.38	-
Valuation expenses		9.74	-
Audit fees		43.20	1.19
Insurance expenses		66.74	-
Investment management fees	47	700.94	-
Trustee fees		2.96	-
Legal and professional fees		383.94	-
Other expenses	41	1,246.33	93.28
Total Expenses		**4,792.80**	**94.47**
Earnings/(loss) before finance costs, depreciation, amortisation, impairment loss and tax		**17,646.77**	**(94.47)**
Finance costs	43	3,803.54	-
Depreciation expense	44	5,120.00	-
Amortisation expense	44	161.24	-
Impairment loss	3, 6	1,775.98	-
Profit (loss) before share of profit of equity accounted investee and tax		**6,786.01**	**(94.47)**
Share of profit after tax of equity accounted investee		1,169.33	-
Profit/(loss) before tax		**7,955.34**	**(94.47)**
Tax expense:			
Current tax	45	1,361.39	-
Deferred tax charge/(credit)	45	(11.27)	-
Minimum alternate tax credit entitlement (MAT)	45	(1,050.12)	-
		300.00	**-**
Profit/(loss) for the year		**7,655.34**	**(94.47)**
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability, net of tax		0.16	-
Total comprehensive income/(loss) attributable to Unitholders for the year		**7,655.50**	**(94.47)**
Earnings per Unit	46		
Basic		9.92	(5.22)
Diluted		9.92	(5.22)
* Refer note 61			
Significant accounting policies	2		

The accompanying notes referred to above are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flow

(all amounts in ₹ million unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019 *
Cash flow from operating activities		
Profit/(loss) before share of profit of equity accounted investee and tax	6,786.01	(94.47)
Adjustments for :		
Non-cash and other adjustments		
Depreciation expense	5,120.00	-
Amortisation expense	161.24	-
Assets no longer required, written off	11.16	-
Allowance for credit loss	0.85	-
Liabilities no longer required written back	(13.29)	
Leasing commission paid	(41.86)	-
Profit on sale of mutual funds	(359.96)	-
Finance costs	3,803.54	-
Interest income	(451.04)	-
Fair value loss/(gain) on investment measured at FVTPL	6.71	-
Impairment loss recognised	1,775.98	
Operating profits/(loss) before working capital changes	**16,799.34**	**(94.47)**
Working capital adjustments		
- Inventories	(7.40)	-
- Trade receivables	126.60	-
- Loans and other financial assets (current and non-current)	731.70	-
- Other assets (current and non-current)	52.94	-
- Trade payables	(153.83)	-
- Other financial liabilities (current and non-current)	977.70	125.97
- Other liabilities and provisions (current and non-current)	(183.01)	-
Cash generated from operating activities before taxes	**18,344.04**	**31.50**
Taxes (paid)/refunds received (net)	(1,429.28)	-
Cash generated from operating activities	**16,914.76**	**31.50**
Cash flow from investing activities		
(Investments)/redemption of deposits with banks (net)	2,760.20	-
(Investments)/redemption in mutual funds (net)	(9,251.09)	-
Investment in debentures	(2,500.00)	-
Repayment of investment in debentures	1,775.62	-
Payment for purchase of Investment Property and Property, Plant and Equipment and Intangibles including Capital Work-in-progress and Investment Property under Development	(11,797.81)	-
Payment for business acquisition	(3,450.00)	(4,681.93)
Dividend received	535.00	-
Interest received	485.66	-
Net cash flow generated from/(used in) investing activities	**(21,442.42)**	**(4,681.93)**

Consolidated Statement of Cash Flow

(all amounts in ₹ million unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019 *
Cash flow from financing activities		
Interest paid	(1,562.48)	-
Repayments of borrowings	(73,462.66)	-
Proceeds from borrowings (net off issue expenses)	48,947.26	-
Proceeds from issue of units	-	47,499.96
Transaction costs related to issue of units	(2,378.63)	-
Cash used in distribution to Unitholders (including taxes on account of distribution by SPVs')	(13,526.72)	-
Finance lease payments	(20.37)	-
Security deposits (given)/received	30.00	(31.00)
Net cash (used in)/generated from financing activities	**(41,973.60)**	**47,468.96**
Net increase/(decrease) in cash and cash equivalents	**(46,501.26)**	**42,818.53**
Cash and cash equivalents at the beginning of the year	**49,612.75**	**-**
Cash balance acquired due to business combination	-	6,794.22
Cash and cash equivalents at the end of the year	**3,111.49**	**49,612.75**
Components of cash and cash equivalents (refer note 19A and 31)		
Cash in hand	1.12	0.48
Balances with banks		
- in current accounts	3,225.16	3,449.14
- in escrow accounts	2.62	45,580.11
- in fixed deposits	20.00	583.02
Book overdraft	(137.41)	-
	3,111.49	**49,612.75**
* Refer note 61		
Significant accounting policies (Refer Note 2)		

The accompanying notes referred to above are an integral part of these Consolidated Financial Statements.

Note: The Trust has issued Units in exchange for investments in SPVs during the year ended March 31, 2019. The same has not been reflected in Consolidated Statement of Cash Flows since these were non-cash transactions. Further, the Trust has also paid a cash consideration of ₹ 3,450 million towards acquisition of interest in IENMPL.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Consolidated Statement of Changes in Unitholders' Equity

(all amounts in ₹ million unless otherwise stated)

A. Unit Capital

	No. in million	Amount
Balance as on April 1, 2018	-	-
Add: Units issued during the year (refer note 22)	771.67	231,499.60
Less: Issue expenses	-	(2,460.34)
Balance as at March 31, 2019	**771.67**	**229,039.26**
Balance as on April 1, 2019	771.67	229,039.26
Add: Reversal of issue expenses no more payable	-	81.70
Balance as at March 31, 2020	**771.67**	**229,120.96**

B. Other equity

Particulars	Retained Earnings
Balance as on April 1, 2018	-
Profit/(loss) for the year	(94.47)
Balance as at March 31, 2019	**(94.47)**
Balance as on April 1, 2019	**(94.47)**
Add: Profit for the year ended March 31, 2020	7,655.34
Add: Other Comprehensive Income for the year ended March 31, 2020	0.16
Less: Distribution to Unitholders for the quarter ended June 30, 2019*	(4,166.99)
Less: Distribution to Unitholders for the quarter ended September 30, 2019*	(4,630.00)
Less: Distribution to Unitholders for the quarter ended December 31, 2019*	(4,707.16)
Balance as at March 31, 2020	**(5,943.12)**

* The distributions made by Trust to its Unitholders are based on the Net Distributable Cash flows (NDCF) of Embassy Office Parks REIT under the REIT Regulations which includes repayment of debt by SPVs to REIT.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

for and on behalf of the Board of Directors of
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DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

A) Statement of Net Assets at fair value

Sl. No.	Particulars	Unit of measurement	As at March 31, 2020 Book Value	As at March 31, 2020 Fair value
A	Assets	₹ in million	334,902.33	401,354.66
B	Liabilities	₹ in million	111,724.49	112,254.26
C	Net Assets (A-B)	₹ in million	**223,177.84**	**289,100.40**
D	No. of units	Numbers	771,665,343	771,665,343
E	NAV (C/D)	₹	**289.22**	**374.64**

Notes:

1. Measurement of fair values:

The fair value of investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL) and the investment in GLSP as at March 31, 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

Valuation technique

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The valuers have followed a Discounted Cash Flow method. The valuation model considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate, average room rent, lease incentive costs and blended tariff rates. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Given the COVID-19 related uncertainties, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation as at March 31, 2020.

2. Property-wise break up of Fair value of Assets as at March 31, 2020 is as follows:

₹ in million

Particulars	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress *	Other assets at book value (***) (Note i)	Total assets	Total liabilities to be considered (Note ii)	Asset-wise NAV	Book value of assets
100% owned assets						
MPPL	153,906.00	1,843.65	155,749.65	17,124.79	138,624.86	120,534.72
EOPPL	21,032.00	793.58	21,825.58	1,477.83	20,347.75	19,871.20
UPPL	4,436.00	234.28	4,670.28	698.92	3,971.36	4,952.51
EEPL	10,289.00	7,692.82	17,981.82	7,646.18	10,335.64	17,047.79
GSPL	8,695.60	171.71	8,867.31	390.26	8,477.05	6,156.07
ETPL	13,911.00	278.71	14,189.71	406.46	13,783.25	10,442.18
OBPL	21,416.00	1,071.11	22,487.11	4,947.58	17,539.53	15,634.42

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

₹ in million

Particulars	Fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress *	Other assets at book value (***) (Note i)	Total assets	Total liabilities to be considered (Note ii)	Asset-wise NAV	Book value of assets
QBPPL	10,085.00	258.29	10,343.29	280.74	10,062.55	9,091.54
QBPL	26,408.00	2,153.75	28,561.75	751.29	27,810.46	22,783.48
VCPPL	16,624.00	236.10	16,860.10	740.97	16,119.13	13,128.86
IENMPL	17,866.00	234.98	18,100.98	956.27	17,144.71	14,528.77
EPTPL	-	0.07	0.07	-	0.07	0.07
Trust	-	56,639.36	56,639.36	76,832.97	(20,193.61)	56,639.36
Total	**304,668.60**	**71,608.41**	**376,277.01**	**112,254.26**	**264,022.75**	**310,810.97**
Investment in GLSP **	25,077.65	-	25,077.65	-	25,077.65	24,091.36
	329,746.25	**71,608.41**	**401,354.66**	**112,254.26**	**289,100.40**	**334,902.33**

* Fair values of investment property, investment property under development, property, plant and equipment, capital work-in-progress and investment in GLSP as at March 31, 2020 as disclosed above are solely based on the fair valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

For the purpose of fair valuation of assets, the Embassy Office Parks Group has fair valued its investment property, investment property under development (including capital advances), property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL) and the investment in GLSP.

** Fair value of equity investments in GLSP has been done based on equity valuation method proportionate to stake held in GLSP.

*** Assets at fair value include Goodwill of ₹ 50,289.37 million on book value basis (net off impairment loss, refer note 6). The Goodwill of ₹ 50,289.37 million mainly arises on account of requirement to value individual assets and liabilities acquired on business combination at fair values using an approach as more fully described in Note 50 as well as the requirement to recognise deferred tax liability of ₹ 38,783.20 million, calculated as a difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

Note:

i. Other assets includes cash and cash equivalents and other working capital balances which are not factored in the discounted cashflow method used in determining the fair value of investment property, investment property under development, property, plant and equipment and capital work-in-progress.

ii. Total liabilities includes all liabilities except lease liability.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

B) Statement of Total Returns at Fair value

₹ in million

Sl. No.	Particulars	For the year ended March 31, 2020
A	Total comprehensive income	7,655.50
B	Add : Changes in fair value not recognised in total comprehensive income (Refer note 1 below)	3,961.80
C (A+B)	**Total Return**	**11,617.30**

Note:

1. In the above statement, changes in fair value for the year ended March 31, 2020 has been computed based on the difference in fair values of investment property, investment property under development, property, plant and equipment (relating to the hotel property in UPPL and QBPL, and the solar power plant in EEPL); capital work-in-progress (relating to the proposed hotel to be developed in MPPL and investment in GLSP) as at March 31, 2020 (audited) as compared with the values as at March 31, 2019 (unreviewed) net of cash spent on construction during the period. The fair values of the afore-mentioned assets as at March 31, 2020 (audited) and March 31, 2019 (unreviewed) are solely based on the valuation report of iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

for and on behalf of the Board of Directors of
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Disclosure pursuant to SEBI circular No. CIR/ IMD/DF/146/2016

(all amounts in ₹ million unless otherwise stated)

Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

(i) Embassy Office Parks REIT – Standalone

Sl. No.	Particulars	For the year ended March 31, 2020
1	Cash flows received from SPVs and investment entity in the form of:	
	• Interest	7,823.93
	• Dividends (net of applicable taxes)	289.97
	• Repayment of Shareholder Debt	11,012.23
	• Proceeds from buy-backs/capital reduction (net of applicable taxes)	-
2	Add: Proceeds from sale of investments, assets or sale of shares of SPVs adjusted for the following:	-
	• Applicable capital gains and other taxes	-
	• Related debts settled or due to be settled from sale proceeds	-
	• Directly attributable transaction costs	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-
3	Add: Proceeds from sale of investments, assets or sale of shares of SPVs not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-
4	Add: Any other income of the Trust and not captured herein	167.05
5	Less: Any other expense accruing at the Trust level and not captured herein	(23.40)
6	Less: Any fees, including but not limited to:	
	• Trustee fees	(2.96)
	• REIT Management Fees	(214.81)
	• Valuer fees	(9.74)
	• Legal and professional fees	(102.89)
	• Trademark license fees	(1.42)
	• Secondment fees	(1.42)
7	Less: Debt servicing	
	• Interest on external debt	-
	• Repayment of external debt	-
8	Less: Income tax (net of refund) and other taxes paid (as applicable)	(70.62)
	Net Distributable Cash Flows	**18,865.92**

Notes:

1. The Board of Directors of the Manager to the Trust, in their meeting held on May 19, 2020, have declared distribution to Unitholders of ₹ 6.89 per unit which aggregates to ₹ 5,316.77 million for the quarter ended March 31, 2020. The distributions of ₹ 6.89 per unit comprises ₹ 2.49 per unit in the form of interest payment, ₹ 0.23 per unit in the form of dividend and the balance ₹ 4.17 per unit in the form of amortisation of SPV debt. Along with distribution of ₹ 17.50 per unit for the nine-months ended December 31, 2019, the cumulative distribution for the year ended March 31, 2020 aggregates to ₹ 24.39 per unit.
2. Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.
3. Since the Trust was listed only on April 1, 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

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

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

Additional disclosures as required by Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016
Net Distributable Cash Flows (NDCF) pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

(ii) Calculation of net distributable cash flows at each Asset SPV

For the year ended March 31, 2020 pursuant to guidance under Paragraph 6 to SEBI circular No. CIR/IMD/DF/146/2016

Sl. No.	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	Total
1	Profit/(loss) after tax as per statement of profit and loss (standalone) (A)	758.86	3,375.36	44.27	(151.15)	462.44	124.74	200.83	153.83	(2,101.31)	239.58	181.64	-	3,289.09
	Adjustment:													
2	Add/(Less): Non-cash adjustments and taxes, including but not limited to:													
	• Depreciation, amortisation and impairment	354.71	1,390.13	345.24	231.93	201.05	87.74	451.53	222.31	1,596.55	57.29	147.21	-	5,085.69
	• Assets written off or liabilities written back	6.35	(6.43)	-	(2.91)	-	-	(0.39)	(2.72)	-	-	-	-	(6.10)
	• Current tax charge as per statement of profit and loss	122.95	661.16	9.95	2.36	122.52	89.72	147.63	43.49	-	47.32	20.29	-	1,267.39
	• Deferred tax	103.42	484.73	15.26	(44.30)	33.98	(3.48)	6.52	83.02	(218.17)	20.54	65.03	-	546.55
	• MAT adjustments as per statement of profit and loss	(109.25)	(781.68)	(9.95)	-	(116.07)	-	-	(43.49)	48.11	(37.79)	-	-	(1,050.12)
	• Ind AS adjustments not considered in any other item above	(89.45)	32.82	(1.28)	-	(40.30)	15.25	(31.95)	14.82	6.05	10.73	(134.66)	-	(217.97)
3	Add: Interest on shareholders debt charged to statement of profit and loss	685.73	2,420.32	284.09	220.76	66.13	305.21	414.38	483.41	1,506.86	383.46	582.17	-	7,352.52
4	Add/(Less): Loss/(gain) on sale of investments, assets or shares of SPVs or Investment Entity	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity adjusted for the following:	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Directly attributable transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of the REIT Regulations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Proceeds from sale of investments, assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of the REIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Add/(Less): Other adjustments, including but not limited to net changes in security deposits, working capital, etc.	665.19	1,246.17	120.12	40.51	181.36	61.26	(112.37)	108.70	175.69	15.67	(29.24)	-	2,473.06
8	Less: Maintenance capex not charged in the statement of profit and loss, to the extent not funded by debt	-	-	-	-	-	-	-	-	-	-	-	-	-

Disclosure pursuant to SEBI circular No. CIR/IMD/DF/146/2016

Sl. No.	Particulars	EOPPL	MPPL	EEPL	UPPL	ETPL	GSPL	IENMPL	OBPPL	QBPL	QBPPL	VCPPL	EPTPL	Total
9	Less: External debt principal repayment *	-	(271.51)	(93.48)	-	-	-	-	(50.90)	-	-	-	-	(415.89)
10	Add: Cash flow received from SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above):													
	• Repayment of the debt in case of investments by way of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	• Proceeds from buy-backs/capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Less: Income tax (net of refund) and other taxes paid (as applicable)	(126.99)	(610.55)	(21.58)	(7.38)	(102.51)	(84.09)	(136.03)	(82.16)	(132.69)	(53.20)	(24.09)	-	(1,381.27)
	Total Adjustments (B)	**1,612.66**	**4,565.16**	**648.37**	**440.97**	**346.16**	**471.61**	**739.32**	**776.48**	**2,982.39**	**444.02**	**626.71**	**-**	**13,653.86**
	Net distributable Cash Flows C = (A+B).	**2,371.52**	**7,940.52**	**692.64**	**289.82**	**808.60**	**596.35**	**940.15**	**930.31**	**881.08**	**683.60**	**808.35**	**-**	**16,942.95**

* Repayment of borrowings done at SPV level out of Initial Public Offering and Non-convertible debenture proceeds have not been considered for NDCF computation. Further, repayment of short-term construction debt from REIT to SPVs upon ultimate availment of external credit facility are not considered for NDCF computation.

1. Since the Trust was listed on April 1, 2019, the NDCF guidelines apply from that date and accordingly the comparatives are not applicable.
2. Distribution of up to 90% of the above NDCF is required as per the REIT Regulations subject to compliance with the requirements of Companies Act, 2013.

As per our report of even date attached

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Notes

to the Consolidated Financial Statements

1. Organisation structure

The Consolidated Financial Statements comprise financial statements of Embassy Office Parks REIT (the 'Trust' or the 'Embassy REIT'), its subsidiaries namely 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'), Indian Express Newspapers (Mumbai) Private Limited ('IENMPL') and Embassy Pune TechZone Private Limited ('EPTPL') (individually referred to as 'Special Purpose Vehicle' or 'SPV' and together referred to as 'Embassy Office Parks Group') and a Joint Venture namely GolfLinks Software Park Private Limited ('GLSP') (also referred to as the Investment Entity). The SPVs are Companies domiciled in India.

The objectives of Embassy REIT are to under take activities in accordance with the provisions of the SEBI REIT Regulations and the Trust Deed. The principal activity of Embassy 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.

Embassy Property Developments Private Limited ('EPDPL') and BRE/Mauritius Investments ('BMI') (collectively known as the 'Sponsors' or the 'Co-Sponsors') 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 August 3, 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 following SPVs by acquiring all the equity interest held by the Embassy Sponsor, Blackstone Sponsor and Blackstone Sponsor Group and certain other shareholders on March 22, 2019. In exchange for these equity interests, the above shareholders have been allotted 613,332,143 Units of Embassy Office Parks REIT valued at ₹ 300 each. These Units were subsequently listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on April 1, 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 March 27, 2019 and were subsequently listed on the BSE and NSE on April 1, 2019.

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

Details of the SPVs is provided below:

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 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 holding Company (Hold Co.) 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 (Embassy Manyata), located at Bengaluru.	EOPPL: 35.77% BRE/Mauritius Investments: 36.97% Veeranna Reddy: 27.00% Suguna Reddy: 0.26%	EOPPL: 35.77% Embassy Office Parks REIT: 64.23%
UPPL	Development, rental and maintenance of serviced residences (Hilton hotel).	EPDPL: 58% D M Estates Private Limited: 29% GolfLinks Properties Private Limited: 13%	Embassy Office Parks REIT: 100%

Notes

to the Consolidated Financial Statements

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
EEPL	Generation and supply of solar power mainly to the office spaces of Embassy Office Parks Group located in Bengaluru.	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 (Embassy Galaxy), 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 (Embassy Quadron), located in Pune.	BRE/Mauritius Investments II: 99.99% Kunal Shah: 0.01%	Embassy Office Parks REIT: 100%
QBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Qubix), 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%
OBPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy Oxygen), 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% Premsagar Infra Reality Private Limited: 2.51% Hiranandani Properties Private Limited: 2.26%	Embassy Office Parks REIT: 100%
VCPPL	Development and leasing of office space and related interiors and maintenance of such assets (Embassy 247), 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), 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 Trust also holds economic interest in a joint venture (GolfLinks Software Park Private Limited (GLSP), entity incorporated in India) through a SPV as detailed below.

Name of the SPV	Activities	Shareholding (in percentage) upto March 21, 2019	Shareholding (in percentage) from March 22, 2019
GLSP	Development and leasing of office space and related interiors (Embassy GolfLinks Business Park), located at Bengaluru.	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)	Embassy Office Parks Private Limited (50%) Kelachandra Holdings LLP (50%)

Notes

to the Consolidated Financial Statements

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

The Consolidated Financial Statements of the Embassy Office Parks Group comprises the Consolidated Balance Sheet and the Consolidated Statement of Net Assets at fair value as at March 31, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Unitholders' Equity, the Statement of Net Distributable Cash flows of Embassy REIT and each of the SPVs, the Consolidated Statement of Total Returns at fair value and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2020. The Consolidated Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Manager on behalf of the Trust on May 19, 2020. The Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/146/2016 dated December 29, 2016 ("SEBI Circular'); 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'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI Circular.

Embassy Office Parks Group has prepared consolidated financial statements which comply with Ind AS applicable for year ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, Embassy Office Parks Group's opening balance sheet was prepared as at April 1, 2018, which is the date of transition to Ind AS. Since no consolidated financial statements were prepared under the Companies (Accounts) Rules, 2014 (Previous GAAP), disclosures of the reconciliation from Previous GAAP to Ind AS does not arise.

The Consolidated Financial Statements are presented in Indian Rupees in million, except when otherwise indicated.

Statement of compliance to Ind AS

These Consolidated Financial Statements for the year ended March 31, 2020 are the financial statements of the Embassy Office Parks Group and 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'), to the extent not inconsistent with SEBI Circular.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except for the change in policy for recognition of leases under Ind AS 116 as referred in note 2.2(q). The financial statements of all the SPVs and the Trust used for the purpose of consolidation are drawn up to the same reporting date i.e. year ended on March 31 , 2020.

Basis of Consolidation

(i) Subsidiaries

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

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

a) The Consolidated Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable.

b) Goodwill is recognised in the Consolidated Financial Statements at the excess of cost of investment over share of fair value of net assets acquired on the date of acquisition.

Notes

to the Consolidated Financial Statements

c) The financial statements of the Embassy Office Parks Group are consolidated on a line-by-line basis and intragroup balances and transactions for assets and liabilities, equity, income, expenses and cash flows between entities of the Embassy Office Parks Group are eliminated in full upon consolidation.

d) Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

(ii) Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting as described below.

Under the equity method of accounting, the investments are initially recognised at cost on the date of acquisition and adjusted thereafter to recognise 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.

Goodwill is calculated at excess of cost of investment over share of fair value of net assets acquired on the date of acquisition and is disclosed as an additional information in the Notes to the Consolidated Financial Statements.

Dividends received or receivable from 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 recognise 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 joint ventures are eliminated to the extent of Embassy Office Parks Group's 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.

During the year ended March 31, 2018, the statutory auditors of GLSP had modified their audit report for non-compliance with Section 185 of the Companies Act, 2013 in respect of a loan aggregating ₹ 190.00 million provided by GLSP to a private Company which had common directors. The loan was repaid during the year ended March 31, 2019 and the non-compliance was duly rectified.

Basis of Business Combination

The Embassy Office Parks Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values

Notes

to the Consolidated Financial Statements

of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in Unitholders' equity.

Changes in accounting policies and disclosures

New and amended standards

Embassy Office Parks Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 56.

Several other amendments apply for the first time for the year ending March 31, 2020, but does not have an impact on the consolidated financial statements of the Group.

Ind AS 116 Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Embassy Office Parks Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 1, 2019. The right of use asset and lease liability has been recognised on the date of initial application i.e. April 1, 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 56.

a) Functional and presentation currency

The Consolidated 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 Consolidated 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;
- Net defined benefit (asset)/liability less present value of defined obligations: Fair value of plan assets less present value of defined benefit plan; and
- The assets and liabilities of the SPVs on the date of acquisition have been accounted using their Fair value and the goodwill/capital reserve amount has been calculated accordingly.

c) Use of judgements and estimates

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

Estimates 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 Consolidated Financial Statements is included in the following notes:

Notes

to the Consolidated Financial Statements

i) **Business combinations**
In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Estimating the acquisition date fair value of the identifiable assets acquired, useful life thereof and liabilities assumed involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management. Changes in these judgements, estimates and assumptions can materially affect the results of operations.

ii) **Impairment of goodwill and intangible assets with infinite useful life**
For the purpose of impairment testing, goodwill and intangible assets with infinite useful life acquired in a business combination is, from the acquisition date, allocated to each of the Embassy Office Parks Group's cash-generating units that are expected to benefit from the combination. In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill and such intangible assets had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognised. The discounted cash flow method involves estimating future cash flows, growth rates and discount rates which require significant management judgement - Note 2.2 (j)

iii) Classification of lease arrangements as finance lease or operating lease - Note 2.2 (q)

iv) Classification of assets as investment property or as property, plant and equipment - Notes 2.2 (f) and (g)

v) Significant judgement involved in the purchase price allocation of the assets acquired and liabilities assumed on account of Business Combination and deferred tax accounting on the resultant fair value accounting– Note on Basis of Business Combination and Note 2.2 (u) (ii)

vi) Judgements in preparing Consolidated Financial Statements - Note 2.1

vii) Classification of Unitholders' funds – Note 22 (a) (i)

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment during the year ended March 31, 2020 is included in the following notes:

i) Fair valuation and disclosures and impairment of non-financial assets being investment properties and property plant and equipment – The fair value of investment properties and property, plant and equipment are reviewed regularly by management with reference to independent property valuations and market conditions existing at half yearly basis. The independent valuers are 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. SEBI Circulars issued under the REIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (Refer Statement of net assets at fair value and Statement of total returns at fair value for details). Refer note 2.2 (j) as regards estimates and assumptions involved in impairment assessment of non-financial assets being investment properties and property plant and equipment.

ii) Useful lives of Investment Property and Property, Plant and Equipment– Notes 2.2(f) and (g)

iii) Valuation of financial instruments –Note 2.2 (l)

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(u)(ii). Further, significant judgements are involved in determining the provision for income taxes, including recognition of minimum alternate tax credit, in SPVs entitled for tax deduction under Section 80IAB of the Income Tax Act, 1961, wherein the tax deduction is dependent upon necessary details available for exempt and non-exempt income.

v) The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of goodwill, investment property (including under development), property, plant and equipment, capital work-in-progress, equity accounted investee, intangible assets and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including reports from International Property Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at March 31, 2020 will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The 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.

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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:

- 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 Embassy Office Parks 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 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 such replaced position is derecognised.

Investment properties are depreciated on straight-line method over their estimated useful lives. 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	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Leasehold land*	30-99 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.

Investment property acquired on Business Combination is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer.

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 property, plant and equipment 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. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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 and intangibles as follows:

Asset category	Estimated useful life (in years)
Buildings	60 years
Plant and Machinery	15 years
Furniture and Fixtures	12 years
Electrical Equipment	15 years
Office Equipment	5 years
Computers	3 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.

The useful lives of intangible assets are assessed as either finite or indefinite.

Right to use trademark: The earnings potential of trade name/trademark can at times be substantial. A trademark is recognised on a reporting Company's balance sheet as an intangible asset separate from goodwill because it satisfies either of the following two tests:

- It arises from legal rights (a trademark is essentially a bundle of rights)
- It is capable of being sold, transferred, and licensed separately from other assets of the acquiring Company.

The recognition of an acquired trademark is performed as part of a purchase price allocation, whereby a portion of the price paid by the acquirer for all of the acquired assets is assigned to the trademark using an acceptable valuation methodology.

The life of the Right to use trademark is considered indefinite because there is no foreseeable limit nor any specific covenant that limits the time period over which the asset is expected to generate net cash inflows for the SPVs.

Intangible assets comprising of Right to use trademark with indefinite useful lives are not amortised, but are tested for impairment annually, at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Power purchase agreement is one of the essential contracts required for a small power generating Company with limited production capacity and marketability. Since sales with the customer take the form of a contract, the power purchase agreement meets the contractual criteria for recognition. This agreement provides ongoing and repeat business for the Company and provides a platform for the Company to reach profitability.

The initial useful life of the power purchase agreements is estimated to be 25 years based on the contract period and hence are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Property, plant and equipment and Intangibles acquired on Business Combination, except right-to-use trademark, is depreciated over the remaining useful life from the date of acquisition as certified by the technical valuer.

When parts of an item of plant and equipment have different useful lives, they are treated as separate components and depreciated over their respective 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 property, plant and equipment and intangible assets purchased or sold during the year.

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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 Consolidated Statement of Profit and 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 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.

An impairment loss is recognised in the Consolidated 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 Consolidated 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. Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

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

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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 Consolidated Statement of Profit and Loss of the year except exchange differences arising from the translation of the items which are recognised in OCI.

l) 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;

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- 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 and 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 and 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 and 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 and loss.

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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 Consolidated 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 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 Consolidated Balance Sheet only when the Embassy Office Parks Group 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.

m) 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 and 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.

n) 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 FVOCI – 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; or

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- a breach of contract such as a default or being past due for 180 days or more; or
- the restructuring of a loan or advance by the Embassy Office Parks Group on terms that in the material assessment of the Embassy Office Parks Group it would not consider otherwise; or
- 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 available 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 180 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

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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.

o) 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.

p) 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 debt or other payables of subsidiaries or associates are provided for with no compensation, the fair values are accounted as contributions and recognised as part of the cost of investment.

q) Leases

Policy applicable upto March 31, 2019

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.

Policy applicable with effect from April 1, 2019

Embassy Office Parks Group as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Embassy Office Parks Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever

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there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Embassy Office Parks Group. Generally, the Embassy Office Parks Group uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Embassy Office Parks Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The Embassy Office Parks Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Embassy Office Parks Group recognises any remaining amount of the re-measurement in profit and loss.

The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Embassy Office Parks Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Embassy Office Parks Group as a lessor

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.

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. Rental income arising is accounted for on a straight-line basis over the lease term. 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. 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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Embassy Office Parks Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method prescribed in para C8(b)(ii) to ongoing leases as on April 1, 2019. The right of use asset and lease liability has been recognised on the date of initial application i.e. April 1, 2019. Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

Embassy Office Parks Group as a lessor

The Embassy Office Parks Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease in a joint venture. The Embassy Office Parks Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Embassy Office Parks Group as a lessor does not have any impact on account of sub-lease on the application of this standard.

Embassy Office Parks Group as lessee

Ind AS 116 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance lease under Ind AS 17.

On transition, the Embassy Office Parks Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date. The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets.

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

r) 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.

i) Rental income from investment properties

Rental income from property leased under operating lease is recognised in the statement of profit and loss on a straight-line basis over the term of the lease. 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 on a receipt basis.

ii) 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.

iii) 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).

iv) Revenue from contract with customers

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

b) 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.

c) 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.

v) Recognition of dividend and interest income

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

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

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

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s) **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 and 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.

t) **Borrowing costs**

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

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

u) **Taxation**

Income tax comprises current and deferred tax. Income tax expense is recognised in the Consolidated 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 Consolidated 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.

Tax impact of timing difference which arise during the tax holiday period are recognised only to the extent of those differences which are reversed after the tax holiday period.

v) **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

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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.

w) 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.

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:

- **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 including common area maintenance expenses (ii) property taxes, (iii) rent, and (iv) insurance).

- **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).

- **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 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, amortisation, 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.

x) 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 Consolidated 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.

y) Cash and cash equivalents

Cash and cash equivalents in the Consolidated 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.

z) Distribution Policy:

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to the Unitholders not less than ninety percent of the net distributable cash flows ('NDCF') of Embassy Office Parks REIT and the current policy of the Manager is to comply with such requirement. The NDCF is calculated in accordance with the REIT Regulations and in

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the manner provided in the NDCF framework defined by the Manager.

In terms of the REIT Regulations and NDCF framework which prescribes for the minimum amount of NDCF to be distributed to Embassy Office Parks REIT:

- not less than 90% of the NDCF of the SPVs are required to be distributed to the Embassy Office Parks REIT, in proportion to its shareholding in the SPV, subject to applicable provisions of the Companies Act, 2013.
- 100% of the cash flows received by the Holding Company from the underlying SPVs are required to be distributed to the Embassy Office Parks REIT, and not less than 90% of the NDCF generated by the Holding Company on its own shall be distributed to the Embassy Office Parks REIT, subject to applicable provisions of the Companies Act, 2013.
- The aforesaid net distributable cash flows are made available to Embassy Office Parks REIT in the form of (i) interest paid on Shareholder Debt provided by Embassy Office Parks REIT to the SPVs/Holding Company, (ii) Principal repayment of Shareholder Debt, (iii) dividend declared by the SPVs/Holding Company and received by Embassy Office Parks REIT and (iv) Proceeds from sale of any Embassy REIT assets.

Since Embassy Office Parks REIT has committed to quarterly distributions, any shortfall as regards minimum quarterly distribution by the SPVs and Holding Company to Embassy Office Parks REIT, post interest paid on Shareholder Debt, Interim Dividend payments and Principal repayment of Shareholder Debt, would be done by declaring additional dividend, to the extent permitted under the Companies Act, 2013. Repayment of short-term construction debt given to SPVs are not considered for the purpose of distributions.

aa) Cash distribution to Unitholders

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

ab) Consolidated Statement of Cash flows

Consolidated Cash flows are reported using the indirect method, whereby Profit/(loss) before share of profit of equity accounted investees and 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 Consolidated Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Embassy Office Parks Group's cash management.

ac) Earnings per unit

The basic earnings per unit is computed by dividing the net profit (loss) attributable to the Unitholders of the Trust 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.

ad) Earnings before finance costs, depreciation, amortisation, impairment loss and tax

The Embassy Office Parks Group has elected to present earnings before finance cost, depreciation, amortisation, impairment loss and tax as a separate line item on the face of the Consolidated Statement of Profit and Loss. The Embassy Office Parks Group measures earnings before finance cost, depreciation, amortisation, impairment loss 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, impairment loss, finance costs, share of profit of equity accounted investees and tax expense.

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3. Property, plant and equipment

Reconciliation of carrying amounts for the year ended March 31, 2020

Particulars	Land-freehold (refer note ii)	Buildings	Plant and machinery	Furniture and fixtures	Electrical equipment	Office equipment	Computers	Operating supplies	Vehicles	Total
Gross block (cost or deemed cost)										
At April 1, 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	6,087.66	7,057.90	7,137.51	485.32	448.83	17.26	11.51	11.62	37.89	21,295.50
Deletion	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	**6,087.66**	**7,057.90**	**7,137.51**	**485.32**	**448.83**	**17.26**	**11.51**	**11.62**	**37.89**	**21,295.50**
At April 1, 2019	**6,087.66**	**7,057.90**	**7,137.51**	**485.32**	**448.83**	**17.26**	**11.51**	**11.62**	**37.89**	**21,295.50**
Additions for the year	452.41	9.98	4.77	0.72	0.11	1.20	6.38	0.02	2.52	478.11
Deletion	-	-	-	(0.06)	-	-	-	(0.81)	-	(0.87)
At March 31, 2020	**6,540.07**	**7,067.88**	**7,142.28**	**485.98**	**448.94**	**18.46**	**17.89**	**10.83**	**40.41**	**21,772.74**
Accumulated depreciation										
At April 1, 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At April 1, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	129.88	403.48	79.09	57.38	11.08	10.96	10.83	4.98	707.68
Impairment loss (refer note iii)	84.00	235.36	27.34	5.38	12.35	0.25	0.01	-	1.44	366.13
At March 31, 2020	**84.00**	**365.24**	**430.82**	**84.47**	**69.73**	**11.33**	**10.97**	**10.83**	**6.42**	**1,073.81**
Carrying amount (net)										
As at March 31, 2019	**6,087.66**	**7,057.90**	**7,137.51**	**485.32**	**448.83**	**17.26**	**11.51**	**11.62**	**37.89**	**21,295.50**
As at March 31, 2020	**6,456.07**	**6,702.64**	**6,711.46**	**401.51**	**379.21**	**7.13**	**6.92**	**-**	**33.99**	**20,698.93**

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

i. Post acquisition of the SPVs, the Embassy Office Parks Group has revisited the useful life of the property, plant and equipment and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPVs.

ii. The solar plant has been constructed on 465.77 acres of land, the title for 254.47 acres is registered in name of the group and balance 211.30 acres is in process of registration and is scheduled for completion by December 31, 2020.

iii. During the current year, an impairment loss of ₹ 366.13 million has been recognised against the property, plant and equipment of the hospitality segment of Embassy Quadron. The impairment loss of ₹ 366.13 million as at March 31, 2020 is after reducing the carrying amount of goodwill of ₹ 922.71 million for certain hotel which is lowest cash generating unit (CGU) forming part of hospitality segment (March 31, 2019: Nil) and is allocated to all other property, plant and equipment of respective CGU in proportion to their carrying value. The impairment loss has been computed based on the assets' recoverable amount as at reporting date which is it's value in use as prescribed under Ind-AS 36. (Refer Note 6 for additional disclosure on impairment).

iv. Refer Note 24 for information on charge created by the group on its property, plant and equipment.

v. Refer Note 48 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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4. Capital work-in-progress

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
MPPL-Hilton Hotel (Front Parcel) *	2,334.07	1,220.52	-
	2,334.07	**1,220.52**	**-**

* forms part of MPPL CGU.

Note:

Borrowing cost capitalised

Hilton Hotel (Front Parcel) project by MPPL is currently under development. The project is expected to be completed in June 2022. The carrying amount of the asset is ₹2,334.07 million as at March 31, 2020 (March 31, 2019: ₹ 1,220.52 million). The amount of borrowing cost capitalised during the year ended March 31, 2020 is ₹ 44.31 million (March 31, 2019: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.51%, which is the SPV specific "Weighted Average Borrowing Cost" (WABC).

5. Investment property

Reconciliation of carrying amounts for the year ended March 31, 2020

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 April 1, 2018	-	-	-	-	-	-	-	-	-	-
Additions due to business combination*	63,847.70	38,361.49	75,824.71	8,224.86	1,315.90	1,922.06	44.33	5.23	2.69	189,548.97
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	**63,847.70**	**38,361.49**	**75,824.71**	**8,224.86**	**1,315.90**	**1,922.06**	**44.33**	**5.23**	**2.69**	**189,548.97**
At April 1, 2019	**63,847.70**	**38,361.49**	**75,824.71**	**8,224.86**	**1,315.90**	**1,922.06**	**44.33**	**5.23**	**2.69**	**189,548.97**
Additions for the year	1,050.92	312.10	5,858.46	1,227.42	180.31	348.61	2.10	0.08	8.57	8,988.57
Disposals	-	-	-	(39.66)	(5.65)	-	(3.01)	-	(0.42)	(48.74)
Adjustments (refer note i and vi)	10,284.81	(10,446.41)	-	161.60	-	-	-	-	-	-
At March 31, 2020	**75,183.43**	**28,227.18**	**81,683.17**	**9,574.22**	**1,490.56**	**2,270.67**	**43.42**	**5.31**	**10.84**	**198,488.80**
Accumulated depreciation										
At April 1, 2018	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	483.74	2,106.20	947.20	360.10	487.10	22.82	3.48	1.68	4,412.32
At March 31, 2020	**-**	**483.74**	**2,106.20**	**947.20**	**360.10**	**487.10**	**22.82**	**3.48**	**1.68**	**4,412.32**
Carrying amount (net)										
As at 2019	**63,847.70**	**38,361.49**	**75,824.71**	**8,224.86**	**1,315.90**	**1,922.06**	**44.33**	**5.23**	**2.69**	**189,548.97**
As at March 31, 2020	**75,183.43**	**27,743.44**	**79,576.97**	**8,627.02**	**1,130.46**	**1,783.57**	**20.60**	**1.83**	**9.16**	**194,076.48**

*Above assets have been acquired as part of business combination. Refer note 2.1 Basis for consolidation and note 50.

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i MPPL - During the year ended March 31, 2020, cost of freehold land of ₹ 161.60 million has been transferred to Karnataka Power Transmission Corporation Limited (KPTCL) along with the 220 KVA substation constructed at Embassy Manyata. Since these are enabling assets to the overall Park, the cost of land has been transferred to plant and machinery and being depreciated over the useful life of the substation.

ii. EOPPL: The leasehold land for Embassy TechZone is taken from Maharashtra Industrial Development Corporation ('MIDC') on a lease for a period of 95 years. The lease expires in July 2100.

iii. OBPPL: The leasehold land for Embassy Oxygen is taken from New Okhla Industrial Development Authority ('NOIDA') on lease for a lease period of 90 years. The lease expires in September 2097.

iv. ETPL: The leasehold land for First International Financial Centre is taken from Mumbai Mahanagar Regional Development Authority ('MMRDA') on a lease for a period of 80 years. The lease expires in June 2088.

v. GSPL: The leasehold land for Embassy Galaxy is taken from NOIDA on a lease for a period of 90 years. The lease expires in June 2095.

vi. IENMPL: The leasehold land for Express Towers is taken from the Government of Maharashtra on a lease of 99 years (from 1963-64). The lease expires in August 2063. However, pursuant to recent Maharashtra State notification in March 2019, IENMPL made an application to the office of the Collector, Mumbai City, seeking conversion of the land on which the building known as "Express Towers" stands, from occupancy class II land that is leasehold land into occupancy class I land, that is, freehold land, by a letter dated April 1, 2019. Pursuant to various orders passed by the office of the Collector, IENMPL has made an aggregate payment of ₹909.46 million towards regularisation and conversion of the land. Subsequently, the Collector, Mumbai pursuant to its order dated August 23, 2019, after regularising the usage of the said Property, approved the conversion of such land from occupancy class II and leasehold land into occupancy class I land that is freehold land, under the Maharashtra Land Revenue (Conversion of Occupancy Class II and Leasehold Lands into Occupancy Class I Lands) Rules, 2019. Out of the aforementioned ₹909.46 million, a sum of ₹ 756.41 million has been capitalised as a part of land and the balance has been capitalised towards building. Further, an amount of ₹ 10,446.41 million, being the carrying cost of such land, has been reclassified from leasehold to freehold land.

vii. QBPL: The leasehold land for Embassy Quadron is taken from MIDC for a lease term of 95 years. As per the lease agreement the Company can renew the lease for a further period of 95 years. Further, the SPV acquired assets and liabilities of the Hotel Business and Commercial Business vide the duly registered Business Transfer Agreement (BTA) with Embassy One Developers Private Limited on March 11, 2019 for purchase of assets and liabilities of the Hotel Business and Commercial Business from Embassy One Developers Private Limited. Refer note 49.

viii. Post acquisition of the SPVs, Embassy Office Parks Group has revisited the useful life of the investment properties and aligned the same across the Embassy Office Parks Group. The Embassy Office Parks Group has also aligned its method of depreciation to straight-line method across its SPVs.

ix. Investment property comprises of commercial buildings and other assets forming part of the buildings, that is leased to third parties. The license agreement entered into with tenants may or may not contain an initial non-cancellable period. Subsequent renewals of these license agreements are negotiated with the tenants and historically the average renewal period ranges between three and five years.

x. The investment property have been leased out to lessees/held for lease on operating lease basis.

xi. The plant and machinery and furniture and fixtures are physically attached to the buildings and form an integral part thereof, hence they are considered as investment property.

xii. Additions to investment property and investment property under development include borrowing cost amounting to ₹ 579.19 million (March 31, 2019: Nil) at a capitalisation rate which is the SPV specific "Weighted Average Borrowing Cost" (WABC).

xiii. Amount recognised in statement of profit and loss for investment properties:

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Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income	18,709.58	-
Less: Direct operating expenses arising from investment property that generated rental income during the period	(1,372.51)	-
Less: Direct operating expenses arising from investment property that did not generate rental income during the period	(709.46)	-
Less: Depreciation expense	(4,412.32)	-
Profit arising from investment properties before indirect expenses	**12,215.29**	**-**

xiv. Refer Note 24 for information on charge created by the group on its investment property.

xv. Refer Note 48 for disclosure of contractual commitments for purchase, construction or development of investment property or for repairs and maintenance of the same.

xvi. Refer Note 56 for disclosure of assets acquired under lease.

xvii. Fair value disclosures:

Particulars	As at March 31, 2020
Fair value as at March 31, 2019	263,780.04
Fair value as at March 31, 2020	**278,469.60**

The fair value of investment property as at March 31, 2020 has been determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The valuers have followed a Discounted Cash Flow method. The valuation model considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate and lease incentive costs. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

6. Goodwill (refer note 2.1 b, note 49 and note 50)

As at March 31, 2020 and March 31, 2019

SPV	Consideration transferred for business combination	Fair value of net assets	Goodwill on acquisition as at March 31, 2019	Impairment loss	Net carrying value as at March 31, 2020
MPPL	48,790.52	37,774.36	11,016.16	-	11,016.16
EOPPL	62,768.25	50,854.97	11,913.28	-	11,913.28
EEPL	732.79	464.95	267.84	-	267.84
UPPL	2,841.67	2,151.80	689.87	487.14	202.73
ETPL	12,138.78	9,239.55	2,899.23	-	2,899.23
GSPL	4,662.50	2,700.39	1,962.11	-	1,962.11
IENMPL	13,210.97	7,139.40	6,071.57	-	6,071.57
OBPPL	12,308.89	5,779.40	6,529.49	-	6,529.49
QBPPL	5,595.08	3,998.26	1,596.82	-	1,596.82
QBPL	13,689.26	9,201.53	4,487.73	922.71	3,565.02
VCPPL	10,710.94	6,445.82	4,265.12	-	4,265.12
Total	**187,449.65**	**135,750.43**	**51,699.22**	**1,409.85**	**50,289.37**

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Impairment testing for goodwill

Goodwill acquired through business combinations has been allocated to the Cash Generating Units ('CGU') as below for impairment testing: (Except for QBPL, each SPV is considered to be an independent CGU, as they are subject to different risk and return profiles on the basis of their customer base. Goodwill pertaining to QBPL has been further allocated to commercial CGU forming part of commercial segment and hotel CGU forming part of hospitality segment.)

CGU	Carrying amount prior to impairment *	Recoverable amount	Impairment Loss
MPPL	100,935.07	138,624.85	-
EOPPL	40,521.30	45,425.40	-
EEPL	9,210.13	10,335.64	-
UPPL	4,458.50	3,971.36	487.14
ETPL	12,962.48	13,783.25	-
GSPL	6,955.55	8,477.05	-
IENMPL	16,721.28	17,144.71	-
OBPPL	16,260.58	17,539.53	-
QBPPL	8,648.52	10,062.55	-
QBPL - Commercial Leasing Office	16,748.59	20,136.46	-
QBPL - Hotel	8,962.84	7,674.00	1,288.84
VCPPL	15,533.12	16,119.13	-
Total	**257,917.96**	**309,293.93**	**1,775.98**

* The carrying amount also includes carrying value of intangibles with indefinite useful life amounting to ₹ 1,781.88 million as at March 31, 2020. Accordingly, the disclosures given in this note also covers the impairment testing relating to intangibles with indefinite useful lives.

During the year, management has estimated the recoverable amount of the CGUs based on a valuation determined by iVAS Partners, independent external property valuers appointed under Regulation 21 of REIT regulations, having appropriately recognised professional qualifications and recent experience in the location and category of the properties being valued in conjunction with value assessment services undertaken by CBRE. The fair value measurement is a level 3 measurement on the fair value hierarchy. The valuation was done in accordance with discounted cash flow method.

As a result of the valuation, an impairment of ₹ 1,409.85 million is recognised in the Statement of Profit and Loss against Goodwill and an impairment of ₹ 366.13 million is recognised in the Statement of Profit and Loss against property, plant and equipment, totalling to ₹ 1,775.98 million as impairment loss. Impairment charge mainly relates to the hospitality segment and more specifically UPPL (Hilton Hotel), and hospitality segment of QBPL (Four Seasons). The Hotel CGU is composed mainly of property, plant and equipment. The impairment charge arose in the Hotel CGU due to slower ramp up of occupancy coupled with the current economic conditions due to COVID-19 pandemic. The annual impairment test performed considers the current economic conditions and revised business plans to determine the higher of the "value in use" and the" fair value less cost to sell" in accordance with Ind AS 36.

The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, revisiting the key operating assumptions as well as growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis.

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The recoverable amount was based on value in use calculation and was determined at the level of the CGUs. These calculations use cash flow projections over a defined period. Discount rate is based on the Weighted Average Cost of Capital (WACC) of the entity. In determining value in use for the CGUs, the key assumptions used are as follows:

Particulars	Discount rate - completed projects	Discount rate - under construction projects	Capitalisation rate
Commercial			
MPPL	12.03%	13.00%	8.00%
EOPPL	12.03%	13.00%	8.25%
ETPL	12.03%	NA	7.75%
GSPL	12.03%	NA	8.25%
IENMPL	12.03%	NA	7.50%
OBPPL	12.03%	13.00%	8.25%
QBPPL	12.03%	NA	8.25%
QBPL – Commercial Leasing Office	12.03%	NA	7.50% to 8.25%
VCPPL	12.03%	NA	8.00%
Hospitality			
UPPL	12.63%	NA	14.0x of EBITDA
QBPL – Hotel	12.63%	NA	14.0x of EBITDA
MPPL – Hotel	NA	13.60%	14.0x of EBITDA
Others			
EEPL	13.50%	NA	NA

The recoverable amount of the CGUs exceeds the carrying amount of the CGUs by ₹ 53,151.95 million. Following change in discount rate and capitalisation rate (taken individually, assuming all other assumptions remain the same) would cause the recoverable amount of the identified CGUs to be equal to the carrying amount of the CGU.

Particulars	Discount rate – completed projects	Discount rate – under construction projects	Capitalisation rate
Commercial			
MPPL	16.88%	17.85%	18.00%
EOPPL	13.60%	14.58%	9.75%
ETPL	13.15%	NA	9.00%
GSPL	15.00%	NA	12.75%
IENMPL	12.45%	NA	7.90%
OBPPL	13.28%	14.25%	9.75%
QBPPL	14.60%	NA	11.75%
QBPL – Commercial Leasing Office	13.60% to 16.10%	NA	9.25% to 15.75%
VCPPL	12.70%	NA	8.70%
Hospitality			
UPPL **	NA	NA	NA
QBPL – Hotel **	NA	NA	NA
MPPL – Hotel	NA	18.45%	NA
Others			
EEPL	26.00%	NA	NA

** Sensitivity analysis is not disclosed since the carrying value and the recoverable amount are equal.

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7. Intangible assets

Reconciliation of carrying amounts for the year ended March 31, 2020

Particulars	Power Purchase Agreement*	Right to use trade mark	Computer software	Total
Gross Block				
At April 1, 2018	-	-	-	-
Additions due to business combination *	3,348.00	1,647.91	22.87	5,018.78
At March 31, 2019	**3,348.00**	**1,647.91**	**22.87**	**5,018.78**
At April 1, 2019	**3,348.00**	**1,647.91**	**22.87**	**5,018.78**
Addition during the year	-	133.97	9.85	143.82
At March 31, 2020	**3,348.00**	**1,781.88**	**32.72**	**5,162.60**
Accumulated amortisation				
At April 1, 2018	-	-	-	-
Amortisation for the year	-	-	-	-
At March 31, 2019	-	-	-	-
At April 1, 2019	-	-	-	-
Amortisation for the year	145.56	-	15.68	161.24
At March 31, 2020	**145.56**	**-**	**15.68**	**161.24**
Carrying amount (net)				
As at March 31, 2019	**3,348.00**	**1,647.91**	**22.87**	**5,018.78**
As at March 31, 2020	**3,202.44**	**1,781.88**	**17.04**	**5,001.36**

* refer note 50

8. Investment property under development (IPUD)

IPUD mainly comprises upcoming buildings and other infrastructure upgrades in various properties. The details are as follows:

SPV	Nature	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Base build				
MPPL	Front Parcel NXT block	-	1,680.97	-
MPPL	Other blocks	58.54	-	-
OBPL	Tower 2	-	1,099.28	-
OBPL	Tower 1	164.66	-	-
EOPPL	Hudson block	183.19	42.56	-
EOPPL	Ganges block	118.13	16.45	
Infrastructure Upgrades				
MPPL	Flyover	629.48	71.53	-
MPPL	Master plan upgrade	335.14	593.14	-
EOPPL	Master plan upgrade	228.13	101.39	-
VCPPL	Façade work	-	175.92	-
Others	Others	56.12	16.01	-
		1,773.39	**3,797.25**	**-**

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9. Equity accounted investee

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Investment in joint venture			
GolfLinks Software Park Private Limited - 10,000 (March 31, 2019 : 10,000) equity share of ₹ 10 each, fully paid up	24,091.36	23,574.23	-
	24,091.36	**23,574.23**	**-**
Goodwill on acquisition included as a part of carrying cost	10,449.36	10,449.36	-
Percentage ownership interest	50%	50%	-
Fair value of net assets on Purchase Price Allocation	26,247.74	26,247.74	-
Embassy Office Parks Group's share of net assets (50%)	13,123.87	13,123.87	-
Carrying amount of interest (including goodwill)	24,091.36	23,574.23	-

10. Non-current investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade, unquoted, at amortised cost			
Investment in preference shares			
Manyata Projects Private Limited * 15,698,440 (March 31, 2019 : 15,698,440) 0.01% optionally convertible redeemable preference shares of ₹ 10 each, fully paid-up	-	156.98	-
Less: Impairment	-	(156.98)	-
Non-trade investments measured at fair value through profit and loss			
Unquoted			
Investment in mutual funds **			
SBI Magnum Instacash Fund - Growth Option	-	313.96	-
IDFC Cash Fund - Growth Direct Plan	-	175.33	-
	-	**489.29**	**-**

* During the year ended March 31, 2020, these investments have been written off.

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

Aggregate amount of quoted investments and market value thereof	-	-	
Aggregate amount of unquoted investments	-	489.29	
Investments measured at amortised cost	-	-	-
Investments measured at fair value through profit or loss	-	489.29	-
Aggregate amount of impairment recognised	-	156.98	-

11. Current investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade, unquoted, at amortised cost			
Investment in debentures of joint venture (refer note 54) and (i) below 2,500 (March 31, 2019: Nil) 8.5% debentures of ₹ 1 million each [current portion]	724.38	-	-
Non-trade investments measured at fair value through profit and loss			
Unquoted, Investment in mutual funds			
HDFC Liquid Fund - Growth Option	1,950.71	285.05	-
IDFC Cash Fund - Growth Option	390.14	-	-
ICICI Prudential Liquid Fund - Growth Option	1,350.76	285.61	-
Axis Liquid Fund - Growth Option	1,914.03	-	-
SBI Liquid Fund - Growth Option	1,629.14	-	-
Tata Liquid Fund - Growth Option	1,233.24	-	-

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Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
HDFC Overnight Fund - Growth Option	255.01	-	-
IDFC Overnight Fund - Growth Option	1,810.13	-	-
Axis Liquid Fund Overnight Fund - Growth Option	165.94	-	-
ICICI Prudential Overnight Fund - Growth Option	850.11	-	-
SBI Magnum Instacash Fund - Growth Option	-	14.78	-
SBI Liquid Fund - Growth Option	-	722.39	-
SBI Magnum Insta Cash Fund - Growth Option	-	147.75	-
	12,273.59	**1,455.58**	**-**

i) 2,500 (March 31, 2019: Nil) unlisted, unrated, secured redeemable, non-convertible debentures of GolfLinks Software Parks Private Limited with face value of ₹10,00,000 each. Outstanding as on March 31, 2020 ₹724.38 million (March 31, 2019: Nil).

Interest Rate : 8.50% p.a. on monthly outstanding balance.

Security : The debentures are secured by first ranking exclusive security interest over Torrey Pines building.

Redemption : Debentures shall be redeemed in 16 monthly installments (principal and interest) of ₹ 160.00 million each and 17th installment of ₹ 98.99 million in accordance with redemption schedule. Early redemption of the debentures shall be permitted from internal accruals of the issuer or any other sources, at the option of the issuer and without any prepayment penalty.

Aggregate amount of quoted investments and market value thereof	**-**	**-**	**-**
Aggregate amount of unquoted investments	**12,273.59**	**1,455.58**	**-**
Investment measured at amortised cost	**724.38**	**-**	**-**
Investment measured at fair value through profit and loss	**11,549.21**	**1,455.58**	**-**

Non-current financial assets

12. Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Security deposits			
- related party (refer note 54)	10.50	-	-
- others	658.21	583.63	-
	668.71	**583.63**	**-**

13. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Fixed deposits with banks*	670.06	2,144.06	-
Unbilled revenue (refer note 54)	506.91	-	-
Interest accrued but not due			
- from fixed deposits	2.96	8.90	-
Receivable under finance lease	8.61	63.58	-
	1,188.54	**2,216.54**	**-**
* Includes fixed deposits held as lien against debt taken and margin money for bank guarantee	670.06	2,098.06	-

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14. Non-current tax assets (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance tax, net of provision for tax	1,554.70	1,418.90	-
	1,554.70	**1,418.90**	**-**

15. Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Advance paid for co-development of property, incl development rights on land (refer note 54) *	13,998.26	8,774.00	-
Other capital advances			
- related party (refer note 54)	222.56	340.32	-
- others	1,333.74	1,073.62	-
Balances with government authorities	164.03	237.68	-
Paid under protest to government authorities (refer note 48)	676.26	674.51	-
Prepayments	80.79	90.56	-
	16,475.64	**11,190.69**	**-**

* Advance paid for co-development of property, includes borrowing cost amounting to ₹ 344.42 million (March 31, 2019: Nil) at a capitalisation rate which is the SPV specific Weighted Average Borrowing Cost (WABC).

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

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Stock of consumables	12.82	5.42	-
	12.82	**5.42**	**-**

17. Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured			
Considered good *	242.25	335.86	-
Credit impaired	16.02	42.58	-
Less: Allowances for impairment losses	(16.02)	(42.58)	-
	242.25	**335.86**	**-**

* Includes trade receivables from related parties amounting to ₹ 57.03 million (March 31, 2019: 10.56 million) (Refer Note 54)

18. Loans

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Security deposits			
- related party (refer note 54)	50.00	953.64	-
- others	1.49	2.32	-
	51.49	**955.96**	**-**

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19 A. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash on hand	1.12	0.48	-
Balances with banks			
- in current accounts*	3,225.16	3,449.14	-
- in escrow accounts			
- Balances with banks for unclaimed distributions	0.26	-	-
- Others**	2.62	45,580.11	-
- in deposit accounts with original maturity of less than three months	20.00	583.02	-
	3,249.16	**49,612.75**	**-**

* Balance in current accounts includes cheques on hand as at March 31, 2020 amounting to ₹ 2,121.94 million (March 31, 2019: ₹ Nil).

** Represents balance Nil (March 31, 2019: ₹ 42,818.03 million) from proceeds of initial public offer of REIT Units (Total proceeds ₹ 47,499.96 million). As at March 31, 2019, this amount held in the Escrow account could be withdrawn for specific purposes.

19 B. Other bank balances

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 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	169.79	1,455.99	-
	169.79	**1,455.99**	**-**
Deposit for availing letter of credit facilities	169.79	750.17	-
Deposit lien marked towards the performance guarantee of EEPL	-	1.00	-

20. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Interest accrued but not due			
- on fixed deposits	7.53	21.63	-
- on statutory deposits	40.39	31.97	-
- on others	4.35	2.03	-
Unbilled revenue (refer note 54)	256.91	192.33	-
Unbilled maintenance charges	59.45	71.54	-
Receivable under finance lease	16.88	73.94	-
Other receivables			
- related parties (refer note 54)	7.94	225.22	-
- others	6.01	131.55	-
	399.46	**750.21**	**-**

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21. Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Advance for supply of goods and rendering of services			
- to related parties (refer note 54)	2.78	-	-
- to others	51.32	22.08	-
Balances with government authorities	149.93	212.65	-
Prepayments	134.21	85.66	-
Other advances	12.98	2.11	-
	351.22	**322.50**	**-**

22. Unit Capital

	No. in million	Amount
As at April 1, 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 below)	-	(2,460.34)
Closing balance as at March 31, 2019	**771.67**	**229,039.26**
As at April 1, 2019	771.67	229,039.26
Add: Reversal of issue expenses no longer payable (refer note below)	-	81.70
Closing balance as at March 31, 2020	**771.67**	**229,120.96**

Note: Issue expenses pertaining to the Initial Public Offering (IPO) and listing of the Units on the National Stock Exchange and Bombay Stock Exchange have been reduced from the Unitholders capital as at March 31, 2019 in accordance with Ind AS 32 – Financial Instruments: Presentation. Further, during the year ended March 31, 2020, excess provision no longer payable, has been reversed amounting to ₹ 81.70 million.

(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 Board of Directors of 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.

Under the provisions of the REIT Regulations, Embassy Office Parks REIT is required to distribute to Unitholders not less than 90% of the net distributable cash flows of Embassy Office Parks REIT for each financial year. Accordingly, a portion of the Unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 – Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/146/2016 dated 29 December 2016 and No. CIR/IMD/DF/141/2016 dated 26 December 2016) issued under the REIT Regulations, the Unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 26 December 2016 dealing with the minimum disclosures for key financial statements. Consistent with Unitholders' funds being classified as equity, the distributions to Unitholders is presented in Statement of Changes in Unitholders' Equity and not as finance cost. In line with the above, the dividend payable to Unitholders is recognised as liability when the same is approved by the Investment Manager.

(ii) Initial Public Offering of 158,333,200 Units for cash at price of ₹ 300 per Unit aggregating to ₹ 47,499.96 million.

(iii) 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. The

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acquisition of equity interest in the SPVs has been done by issue of 613,332,143 Units of ₹ 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 Sponsor)	Other 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**

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

Name of the Unitholder	As at March 31, 2020		As at March 31, 2019	
	No. of Units	% holding	No. of Units	% holding
Embassy Property Developments Pvt. Ltd.	115,484,802	14.97%	115,484,802	14.97%
SG Indian Holding (Nq) Co. I Pte. Ltd.	104,094,966	13.49%	104,094,966	13.49%
BRE Mauritius Investments	93,610,755	12.13%	93,610,755	12.13%
Veeranna Reddy	65,472,582	8.48%	65,472,582	8.48%
BRE/Mauritius Investments II	45,630,850	5.91%	45,630,850	5.91%
India Alternate Property Limited	39,446,986	5.11%	39,446,986	5.11%

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

23. Other Equity*

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Reserves and Surplus			
Retained earnings	(5,943.12)	(94.47)	-
	(5,943.12)	**(94.47)**	**-**

* Refer Consolidated Statement of Changes in Unitholders' Equity for detailed movement in other equity balances.

Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Embassy Office Parks REIT is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit/(loss) after tax is transferred from the Statement of Profit and Loss to the retained earnings account.

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24. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019**	As at April 1, 2018
Secured			
Non-convertible debentures			
- Embassy REIT Series I NCD 2019 – Tranche I (refer note i)	32,351.16	-	-
- Embassy REIT Series I NCD 2019 – Tranche II (refer note i)	6,667.66	-	-
Terms loans			
- from banks (refer note iii)	10,978.43	41,269.59	-
- from financial institutions	-	16,850.86	-
- vehicle loans	30.60	42.02	-
Overdraft facility (Asset backed debt)	-	3,514.31	-
Deferred payment liability (refer note ii)	6,142.66	6,354.83	-
Obligation under finance lease	-	1.68	-
	56,170.51	**68,033.29**	**-**

Notes:

(i) In May 2019, the Trust issued 30,000 (March 31, 2019: Nil) listed, AAA rated, secured, redeemable and non-convertible Embassy REIT Series I NCD 2019 (Tranche I), debentures having face value of ₹ 1 million each amounting to ₹ 30,000.00 million with an Internal Rate of Return (IRR) of 9.4% and will mature on June 2, 2022. In November 2019, the Trust further issued 6,500 such debentures (Tranche II) with an Internal Rate of Return (IRR) of 9.05% and with same terms and conditions as Tranche I.

The Tranche I and Tranche II NCD described above were listed on the Bombay Stock Exchange on May 15, 2019 and November 28 , 2019 respectively.

Security terms

The NCD's are secured against each of the following in favor of the Security Trustee (holding for the benefit of the Debenture Trustee and ranking *pari passu* inter se the Debenture Holders):

1. A sole and exclusive first ranking charge created by MPPL on (a) land measuring 112.475 acres at Bengaluru together with blocks and various commercial buildings; (b) 1.022 acres (Phase 1) and 1.631 (Phase IV) acres of undivided right, title and interest in the commercial complex known as "Mfar Manyata Tech Park".
2. A sole and exclusive first ranking pledge created by the REIT and EOPPL over their total shareholding in the SPVs namely QBPPL, ETPL, VCPPL, GSPL and MPPL together known as "secured SPVs".
3. A sole and exclusive first ranking charge by way of hypothecation created by the REIT over identified bank accounts and receivables of the Trust.
4. A sole and exclusive first ranking charge by way of hypothecation created by each secured SPV over identified bank accounts and receivables of each secured SPV.
5. A negative pledge on all assets of each secured SPV except MPPL.

Redemption terms:

1. These debentures are redeemable by way of bullet payment on June 2, 2022.
2. Tranche I debentures have a redemption premium of 9.4% IRR compounded annually and Tranche II debentures have a redemption premium of 9.05% IRR compounded annually.
3. In case of downgrading of credit rating, the IRR shall increase by 0.25% – 1.25% over and above the applicable IRR calculated from the date of change of rating. In case of any subsequent upgrading of credit rating, the IRR shall restore/ decrease by 0.25% – 1.00% over and above the applicable IRR calculated from the date of change of rating.
4. The issuer shall have the option of redeeming all or part of the debentures on a pro-rata basis at any time on a specified call option date (between May 2021 to May 2022) by delivering a Call Option Notice to the debenture holders prior to the relevant call option date, subject to certain agreed minimum aggregate nominal value of debentures being redeemed.

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

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

Particulars	Secured/ Unsecured	Previous due date		Next due date	
		Principal	Interest	Principal	Interest
Embassy REIT Series I NCD 2019	Secured	-	-	June 2, 2022	June 2, 2022

2. Rating agency CRISIL has assigned a rating of "CRISIL AAA/Stable" to Embassy REIT Series I NCD 2019.

3. Other requirements as per Guidelines for issuance of debt securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Particulars	As at March 31, 2020
Asset cover ratio (refer a below)	17.32%
Debt-equity ratio (refer b below)	0.26
Debt-service coverage ratio (refer c below)	4.55
Interest-service coverage ratio (refer d below)	5.10
Net worth (refer e below)	223,177.84

Formulae for computation of ratios are as follows basis condensed consolidated financial statements:-

a) Asset cover ratio = Total borrowings*/Gross asset value as computed by independent valuers

b) Debt equity ratio = Total borrowings*/Unitholders' Equity*

c) Debt Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax/[Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability) + Principal repayments made during the year]

d) Interest Service Coverage Ratio = Earnings before Finance costs, Depreciation, Amortisation, Impairment Loss and Tax/Finance cost (net of capitalisation and excluding interest on lease deposit and interest on lease liability)

e) Net worth = Unit capital + Other equity

* Total borrowings = Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings
Unitholder's Equity = Unit Capital + Other equity

(ii) Deferred payment liability

EEPL SPV has entered into a deferred payment agreement with IL&FS Solar Power Limited for ₹ 6,853.90 million (as at March 31, 2020: ₹ 7,278.74 million, March 31, 2019: ₹ 6,994.93 million), for the purpose of financing the construction and development of a solar photovoltaic electricity generation facility with a minimum capacity of 100 MW AC. The debt carries interest at an IRR of 12.72% with a fixed EMI.

Security terms

1. Exclusive first charge by way of deposit of title deeds on the project land in accordance with the mortgage documentation.
2. Charge over the entire moveable properties (both present and future) of the Embassy Energy SPV, in relation to the project (including without limitation all tangible and intangible assets).
3. The above deferred payment liability is also secured by a guarantee given by EOPPL, SPV to Embassy Office Parks REIT.

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Redemption terms:

The liability is repayable in 180 months equal instalments starting from April 2018 and to be settled by Feb 2033. Pursuant to mutual agreement with IL & FS Solar Power Limited, only 50% of EMI are payable to them till the registration of agreed 465.77 acres of land is completed in favor of Embassy Energy SPV. As at end of March 31, 2020, the land registered is 254.47 acres. The Company has accordingly paid 50% of principal and interest and the balance is withheld.

In accordance with the deferred payment agreement, the Group issued a prepayment offer to IL&FS Solar Power Limited ('lender') in respect of outstanding debt amounting to ₹ 7,278.74 million as of March 31, 2020. While the offer has been in-principle accepted by the lender, the lender is awaiting final approval by National Company Law Tribunal, Mumbai as the lender and its group entities are under a resolution process, pending which it has been classified as non-current liability.

(iii) (a) HSBC Limited [balance as at March 31, 2020: ₹ 3,361.58 million (March 31, 2019: ₹ Nil)]

First ranking mortgage of undivided share of land and building thereon (L1) situated at Embassy Manyata, Bengaluru.

First charge over the entire lease rental receivables from tenant pertaining to building (L1) situated at Embassy Manyata, Bengaluru.

Reserve account to be maintained equal to three months repayment obligations with the lender.

Repayment and interest terms	As at March 31, 2020
Repayable in 36 monthly instalments. The debt carries interest of MCLR + 0.35%	3,361.58

b) State Bank of India [balance as at March 31, 2020: ₹ 4,381.10 million (March 31, 2019: ₹ Nil)]

First ranking exclusive mortgage of undivided share of land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.

First charge over entire cash flows, receivable, book debts, and revenues from the projects to be constructed at the land admeasuring 8.26 acres (Front Parcel) situated at Embassy Manyata, Bengaluru.

First charge on the Trust and Retention Account and other accounts established and maintained pursuant to Trust and Retention Account Agreement.

Repayment and interest terms	As at March 31, 2020
Repayable by way of single bullet repayment in 18 months from date of commercial operations but not later than September 30, 2023. The debt carries interest of MCLR + 1.25%	4,381.10

(c) HSBC Limited [balance as at March 31, 2020: ₹ 3,389.99 million (March 31, 2019: ₹ Nil)]

First charge over the entire cash flows of Tower 2 and Tower 3 of Embassy Oxygen, Noida, Uttar Pradesh till full liquidation of the borrowings/credit facilities along with interest and charges.

Extension of equitable mortgage over underlying Tower 2 & Tower 3 building of Embassy Oxygen situated at Plot No. 7, Sector 144, Noida, Uttar Pradesh, India.

Repayment and interest terms	As at March 31, 2020
Repayable in 120 monthly instalments, bullet repayment for remainder at the end of 10th year. The debt carries interest of MCLR + 0.15%	3,389.99

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(iv) Changes in liabilities arising from financing activities:

	As at March 31, 2020	As at March 31, 2019
Opening financial liability	**79,110.54**	**-**
Add: Acquired on business combination	-	79,110.54
Add: Proceeds from borrowings (net off issue expenses)	48,947.26	-
Less: Repayments of borrowings	(73,462.66)	-
Less: Interest paid	(1,562.48)	-
Add: Lease liability w.r.t. Right-to-use for land during the year	312.10	-
Less: Finance lease payments	(20.37)	-
Add: Finance cost (including capitalised interest)	4,459.37	-
Closing financial liability	**57,783.76**	**79,110.54**

** Balances as at March 31, 2019 includes certain borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These borrowings have been settled during the year ended March 31, 2020.

25. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Lease deposits (refer note 54)	2,360.50	2,734.68	-
Lease liability (refer note 56)	302.58	-	-
Payable for purchase of fixed assets	455.57	46.36	-
	3,118.65	**2,781.04**	**-**

26. Deferred tax liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Minimum Alternate Tax credit entitlement	(4,015.29)	(3,009.06)	
Deferred tax liabilities (net) (refer note 57)	44,422.67	44,433.45	-
	40,407.38	**41,424.39**	**-**

27. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits *			
- gratuity	5.25	3.01	-
- compensated absences	-	2.07	-
	5.25	**5.08**	**-**

* refer note 55.

28. Other non-current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred lease rental	378.21	611.63	-
Advances from customers	8.49	30.51	-
	386.70	**642.14**	**-**

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29. Borrowings*

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured:			
Loans repayable on demand			
- construction loan from financial institution	-	2,344.63	-
Other short-term borrowings			
- lease rental discounting loan from bank	-	826.46	-
	-	**3,171.09**	**-**

* Balances as at March 31, 2019 includes certain loans/borrowings secured by way of assignment/ charge/ hypothecation/ mortgage of certain project receivables, underlying land, building and movable property, plant and equipment and investment property for certain SPVs. These loans have been settled during the year ended March 31, 2020.

30. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payable			
- total outstanding dues to micro and small enterprises	2.48	-	-
- total outstanding dues other than micro and small enterprises	136.33	408.16	-
- to related parties (refer note 54)	115.94	13.71	-
	254.75	**421.87**	**-**

31. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current maturities of long-term debt			
- from banks	154.25	5,335.61	-
- from financial institutions	-	1,930.45	-
- deferred payment liability	1,136.08	640.10	-
Security deposits			-
- related party (refer note 54)	185.00	185.00	-
Lease deposits	7,137.07	6,017.42	-
Book overdraft	137.41	-	-
Capital creditors for purchase of fixed assets			-
- to related party (refer note 54)	14.73	50.94	-
- to others	975.66	451.15	-
- Lease liability (refer note 56)	20.35	-	-
Unclaimed dividend for 2019-20	0.26	-	-
Other liabilities			
- to related party (refer note 54)	172.62	186.87	-
- to others	629.36	5,981.13	-
	10,562.79	**20,778.67**	**-**

32. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for employee benefits *			
- gratuity	0.03	1.73	-
- compensated absences	2.34	1.28	-
	2.37	**3.01**	**-**

* refer note 55.

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33. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unearned income	44.09	43.68	-
Advances received from customers (refer note 54)	291.43	183.63	-
Statutory dues	193.92	212.86	-
Deferred lease rentals	252.14	268.67	-
	781.58	**708.84**	**-**

34. Current tax liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for income-tax, net of advance tax	34.51	33.58	-
	34.51	**33.58**	**-**

35. Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Facility rentals	16,689.99	-
Income from finance lease	2.28	-
Room rentals	647.40	-
Revenue from contracts with customers		
Maintenance services	1,777.43	-
Sale of food and beverages	391.89	-
Income from generation of renewable energy	1,566.25	-
Other operating income		-
- hospitality	103.40	-
- others	270.58	-
	21,449.22	**-**

Note:

Contract balances

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	242.25	335.86
Unbilled maintenance	59.45	71.54

36. Interest income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- on debentures (Refer note 54)	73.72	-
- on fixed deposits with bank	139.80	-
- on security deposits	46.86	-
- on other statutory deposits	21.77	-
- on Income-tax refund	26.31	-
- others	168.89	-
	477.35	**-**

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37. Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net changes in fair value of financial assets	18.45	-
Liabilities no longer required written back	13.29	-
Profit on sale of mutual funds	359.96	-
Miscellaneous	121.30	-
	513.00	**-**

38. Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchases	126.34	-
Add: Increase/(decrease) in inventory	(7.40)	-
	118.94	**-**

39. Employee benefits expense *

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	295.88	-
Contribution to provident and other funds	17.62	-
Staff welfare	63.67	-
	377.17	**-**

* refers to employee benefits expense of the hospitality segment (also refer note 53)

40. Operating and maintenance expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel (net)	609.16	-
Operating consumables	18.30	-
	627.46	**-**

41. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Property tax (net)	704.01	-
Rates and taxes	37.90	-
Marketing and advertising expenses	77.31	93.28
Assets and other balances written off	11.16	-
Allowances for credit loss	0.85	-
Reversal of impairment on investments	(156.98)	-
Investments written off	156.98	-
Bank charges	19.42	-
Brokerage and commission	24.10	-
Net changes in fair value of financial assets	25.16	-
Travel and conveyance	25.78	-
Corporate Social Responsibility (CSR) contribution	85.91	-
Miscellaneous expenses	234.73	-
	1,246.33	**93.28**

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42. Repairs and maintenance

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Repairs and maintenance		-
- common area maintenance	735.75	-
- buildings	76.19	-
- machinery	253.51	-
- others	149.93	-
	1,215.38	**-**

43. Finance costs (net of capitalisation)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- on borrowings from banks and financial institutions	310.15	-
- on deferred payment liability	840.19	-
- on lease deposits	312.09	-
- on lease liabilities	31.20	-
- accrual of premium on redemption of debentures *	2,309.91	-
	3,803.54	**-**

* relates to accrual of premium on redemption of Tranche I and Tranche II of Embassy REIT Series I NCD 2019

Gross interest expense is ₹ 4,771.46 million and interest capitalised is ₹ 967.92 million for the year ended March 31, 2020.

44. Depreciation and amortisation

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	707.68	-
Depreciation of investment property	4,412.32	-
Amortisation of intangible assets	161.24	-
	5,281.24	**-**

45 Tax expense*

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax**	1,361.39	-
Deferred tax charge	(11.27)	-
Minimum Alternate Tax credit entitlement (MAT)***	(1,050.12)	-
	300.00	**-**

* refer note 57.

** includes dividend distribution tax of ₹ 22.83 million payable by SPVs on dividend distributed to Embassy Office Parks Group for the year ended March 31, 2020. Also includes current tax adjustments relating to earlier years of ₹ 42.32 million (March 31, 2019: Nil).

*** including MAT credit entitlement relating to earlier years of ₹ 373.69 million (March 31, 2019: Nil).

46. Earnings Per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the year attributable to Unitholders by the weighted average number of units outstanding during the year. Diluted EPU amounts are calculated by dividing the profit attributable to Unitholders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital. The Units of the Trust were allotted on March 22, 2019 and March 27, 2019.

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after tax for calculating basic and diluted EPU	7,655.34	(94.47)
Weighted average number of Units (No. in million)	771.67	18.10
Earnings Per Unit		
- Basic (Rupees/unit)	9.92	(5.22)
- Diluted (Rupees/unit)*	9.92	(5.22)

* The Trust does not have any outstanding dilutive units.

47. Management Fees

Property Management Fee

Pursuant to the Investment Management Agreement dated June 12, 2017 as amended, Investment Manager is entitled to fees @ 3% of the collection of Facility Rentals per annum of the relevant property in respect to operations, maintenance, administration and management of the Holdco or the SPV, as applicable. The fees has been determined to meet the ongoing costs of the Investment Manager to undertake the services provided to the Embassy REIT and its SPVs. Property Management fees for the year ended March 31, 2020 amounts to ₹ 486.13 million (March 31, 2019: ₹ Nil). There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

REIT Management Fees

Pursuant to the Investment Management Agreement dated June 12, 2017, as amended, Investment Manager is entitled to fees @ 1% of REIT Distributions which shall be payable either in cash or in Units or a combination of both, at the discretion of the Manager. The fees has been determined for undertaking management of the REIT and its investments. REIT Management fees accrued for the year ended March 31, 2020 amounts to ₹ 214.81 million (March 31, 2019: ₹ Nil). There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

Secondment fees

Pursuant to the Secondment Agreement dated March 11, 2019, Investment Manager is entitled to fees of Rupees One Lakh (₹ 1,00,000) per month in respect certain employees of Investment Manager being deployed to the Embassy office Parks REIT in connection with the operation and management of the assets of the Embassy REIT. Secondment Fees for the year ended March 31, 2020 amounts to ₹ 1.42 million (March 31, 2019: ₹ Nil). There are no changes during the year in the methodology for computation of secondment fees paid to Investment Manager.

48. Commitments and contingencies

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (Refer note i)	11,088.92	5,369.00	-
Contingent liabilities			
Claims not acknowledged as debt in respect of Income Tax matters (Refer note ii)	425.41	390.03	-
Claims not acknowledged as debt in respect of Service Tax matters (Refer note iii)	730.10	598.90	-
Claims not acknowledged as debt in respect of Property Tax matters (Refer note iv)	3,313.08	3,212.76	-
Others (Refer notes v and vi)			

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Based on management's best estimate the Group has provided for any claims during the year. The Group will continue to monitor developments to identify significant uncertainties and change in estimates, if any, in future period.

Notes:

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

SPV	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
MPPL	9,519.23	3,859.26	-
OBPPL	51.78	893.77	-
EOPPL	1,423.43	424.23	-
Others	94.48	191.74	-
	11,088.92	**5,369.00**	**-**

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

SPV	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
MPPL	8.50	0.28	-
EOPPL	224.29	172.28	-
QBPL	77.60	145.57	-
QBPPL	3.76	3.76	-
OBPPL	72.82	-	-
IENMPL	38.44	68.14	-
	425.41	**390.03**	**-**

MPPL:

(a) The SPV has received Section 153A assessment orders for AY 2009-10 to 2015-16 making additions under Section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing taxable income under the Income tax Act. The SPV has received demand orders to pay a sum of ₹ 8.22 million for the assessment period. Appeals were filed before CIT(A) challenging the assessment orders. As at March 31, 2020 the CIT(A) has dismissed the appeals for AY 2009-10, 2011-12 and 2012-13 upholding the assessment additions made. MPPL intends to challenge the same and file an appeal before Income-tax Appellate Tribunal ['ITAT'], within the stipulated time. Accordingly, the SPV has disclosed ₹8.22 million (March 31, 2019: Nil) as contingent liability.

(b) The SPV was originally assessed u/s. 143(3) for AY 2009-10 apart from the assessment u/s. 153A as disclosed above in (a) for disallowance under Section 14A of Income Tax Act read with rule 8D of the Income-tax Rules in computing the taxable income under the Income tax Act. The SPV has received outstanding demand orders to pay a sum of ₹ 0.28 million. As at March 31, 2020 the appeal against order of ITAT is pending for hearing before Hon'ble High Court of Karnataka. Accordingly, the SPV has disclosed ₹ 0.28 million (March 31, 2019: ₹ 0.28 million) as contingent liability.

EOPPL:

(a) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2016-17 and received assessment order dated 31.12.2018 with additions made u/s.14A of the Income Tax Act with demand order of ₹ 172.28 million. The SPV has filed an appeal against the assessment order at the CIT(A) and has paid ₹ 14.06 million under protest with balance demand stayed. Accordingly, the SPV has disclosed ₹ 172.28 million (March 31, 2019: ₹ 172.28 million) as contingent liability.

(b) The SPV was assessed u/s. 143(3) of the Income Tax Act for AY 2017-18 and received assessment order dated 24.12.2019 with additions made u/s.14A of the Income Tax Act read with rule 8D of the Income-tax Rules and addition to the income based on reconciliation differences between Form 26AS and the books of account. Aggrieved by the assessment order, the SPV has filed an appeal with CIT(A). Accordingly, the SPV

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has disclosed ₹ 52.01 million (March 31, 2019: ₹ Nil) as contingent liability.

QBPL:

(a) The SPV was assessed under Section 143(3) of the Income Tax Act and has received a demand notice of ₹ 71.71 million for AY 2010-11, on account of disallowance of the deduction under Section 80IAB for certain incomes as claimed by the SPV. The CIT(A) has passed necessary order upholding the stand of the Assessing Officer. The SPV thereafter filed an appeal with ITAT against the said order of CIT(A). The ITAT has disposed the appeal in favor of the SPV. Income tax Department has moved to Hon'ble High Court of Mumbai against the ITAT order. Accordingly, the SPV has disclosed the above demand of ₹71.71 million (March 31, 2019: ₹ 71.00 million) as a contingent liability.

(b) The SPV was assessed for AY 2014-15 u/s. 143(3) of the Income Tax Act and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of ₹5.89 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of ₹ 5.89 million (March 31, 2019: ₹ 5.89 million) as a contingent liability.

(c) The SPV had received an assessment order u/s.143(3) of the Act for Assessment year 2012-13 wherein the assessing officer has raised a demand of ₹68.68 million, which was mainly on account of income from leasing of immovable property which has been treated as 'income from house property', as against the head 'profits and gains from business or profession' as declared by the SPV in its tax returns. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Accordingly the SPV has disclosed ₹ Nil (March 31, 2019 ₹68.68 million) as a contingent liability.

QBPPL:

The SPV had received an assessment order u/s. 143(3) of the Income Tax Act for AY 2015-16 and certain addition were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of ₹3.76 million was received. While the said demand has been paid, the SPV has contested this demand and filed an appeal with CIT(A) against the said order. Accordingly, the SPV has disclosed the above demand of ₹ 3.76 million (March 31, 2019: ₹ 3.76 million) as a contingent liability.

OBPPL:

(a) The SPV had been assessed u/s. 143(3) of the Act and received a tax demand notice of ₹ 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 was in excess of its fair value and claimed as deduction under Section 80IAB. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal in favour of the SPV. Income Tax Department filed an appeal with ITAT against the order of CIT(A). Accordingly, the SPV has disclosed the above demand of ₹ 69.83 million (March 31, 2019: Nil) as a contingent liability.

(b) The SPV has received an assessment order for AY 2017-18 wherein TDS credit has not being given in respect of merged entities. Subsequently, the SPV has filed an appeal against the assessment order with CIT(A). Accordingly, the SPV has disclosed ₹ 2.99 million (March 31, 2019: ₹ Nil) as contingent liability.

IENMPL:

(a) The SPV had received an assessment order u/s 147 r/w. s. 143(3) of Income Tax Act 1961 for the AY 2009-10 for disallowance of unrealised rent claimed against income from House Property resulting in tax demand of ₹ 2.92 million. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed ₹ Nil (March 31, 2019: ₹ 4.05 million) as contingent liability.

(b) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2010-11 with disallowance of municipal tax paid, claimed against Income from House property, disallowance of management fees and Section 14A additions made, resulting in tax demand of ₹ 12.12 million. The SPV filed an appeal before CIT(A) which was dismissed by the CIT(A). The SPV filed an appeal with ITAT against the

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order of CIT(A) which during the year was dismissed by ITAT. Accordingly, the SPV has disclosed ₹ Nil (March 31, 2019: ₹12.11 million) as contingent liability.

(c) The SPV was reassessed u/s 147 read with Section 143(3) of Income-tax Act, 1961 for the AY 2010-11 and addition on account of unexplained cash deposits was made u/s.69A of the Act, resulting in tax demand of ₹ 2.98 million. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed ₹2.98 million (March 31, 2019: ₹ Nil) as contingent liability.

(d) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2011-12 and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of ₹12.14 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed ₹12.14 million (March 31, 2019: ₹13.43 million) as contingent liability.

(e) The SPV received an assessment order u/s 143(3) of Income-tax Act, 1961 for the AY 2012-13 and certain additions were made and accepted. No appeal was preferred and as a result a penalty order u/s. 271(1)(c) of the Act with demand of penalty of ₹14.07 million was received. The SPV has filed an appeal before CIT(A). Accordingly, the SPV has disclosed ₹14.07 million (March 31, 2019: ₹ 20.42 million) as contingent liability.

(f) The SPV received a tax demand notice of ₹5.48 million for Assessment Year 2013-14 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property and additions made u/s. 14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. The CIT(A) had disposed the appeal against the SPV. The SPV filed an appeal with ITAT against the order of CIT(A), however has recorded the liability. Accordingly, the SPV has disclosed ₹ Nil (March 31, 2019: ₹ 5.48 million) as contingent liability.

(g) The SPV received a tax demand notice of ₹9.25 million for Assessment Year 2014-15 wherein the Assessing Officer had disallowed municipal tax paid claimed against Income from House property an additions made u/s. 14A of the Income tax Act read with Rule 8D of the Income Tax Rules. The SPV contested the said demand and had filed an appeal with the CIT(A) against the said order. Accordingly, the SPV has disclosed ₹9.25 million (March 31, 2019: ₹12.65 million) as contingent liability.

iii) Claims not acknowledged as debt in respect of Service Tax and Value Added Tax matters

SPV	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
MPPL	573.90	522.04	-
ETPL	64.73	12.30	-
GSPL	23.99	1.02	-
VCPPL	40.66	40.66	-
UPPL	26.82	22.88	-
	730.10	**598.90**	**-**

MPPL:

(a) The SPV had received Order-in-original dated December 23, 2015 with a demand to pay a sum of ₹ 522.04 million (including interest and penalty) from the Commissioner of Central Excise Bengaluru-V Commissionerate towards incorrectly availed Cenvat credit during the period April 1, 2006 to March 31, 2012. Appeal has been filed before CESTAT dated 18 April 2016. As at March 31, 2020 the appeal is still pending before CESTAT and the amount of ₹ 522.04 million (March 31, 2019: ₹522.04 million) is disclosed as contingent liability.

(b) The SPV had received an order dated May 26, 2011 from Assistant Commissioner of Commercial Taxes for rejecting the refund of ₹ 51.86 million towards incorrectly availed VAT credit during the period April 1, 2009 to March 31, 2010. Appeal was filed before KAT which allowed the refund in part. The SPV approached Hon'ble High Court of Karnataka which quashed the order passed by KAT and granted full refund. The State of Karnataka has filed an appeal in the Supreme Court against the High Court order. Accordingly, a sum of ₹ 51.86 million (March 31, 2019: ₹ Nil) has been disclosed as contingent liability.

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ETPL:

(a) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata for the period 2012-13 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 of ₹ 10.01 million, irregular availment of credit of ₹ 6.87 million and non-payment of service tax ₹ 0.96 million (along with penalty of equal amount). 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 pre-deposit of ₹ 1.33 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 and penalty amount of ₹ 35.68 million (March 31, 2019: ₹ 10.00 million) has been disclosed as a contingent liability.

(b) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata demanding ₹ 2.30 million in respect of denial of credit on construction of building and various other activities which has been utilised against output service of 'Renting of Immovable Property' service for the period 2013-14 (along with penalty of equal amount). 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 pre-deposit of ₹ 0.2 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended March 31, 2019 the SPV has received favorable order and the said demand was annulled; however, the Assistant Commissioner (T&R) had filed an appeal against the Order to Central Excise and Service Tax Appellate Tribunal. The appeal has been dismissed by the CESTAT. Accordingly, the SPV has disclosed demand and penalty amount of ₹ Nil as at March 31, 2020 (March 31, 2019: ₹ 2.30 million) as contingent liability.

(c) The SPV has received an Order from Joint Commissioner, Service Tax - I, Kolkata in January 2020, demanding ₹ 14.52 million in respect of denial of input tax credit during construction period for the financial years 2014-15 to 2016-17 (along with penalty of equal amount). 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 pre-deposit of ₹ 1.09 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the year ended March 31, 2020, the SPV has disclosed the demand and penalty amount of ₹ 29.05 million (March 31, 2019: ₹ Nil) as contingent liability.

GSPL:

a) The SPV had received an Order-in-Original passed by the Ld. Commissioner, Customs, Central Excise and Service Tax Commissionerate, Noida demanding ₹ 11.99 million (along-with penalty of equal amount) in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of ₹ 0.90 million to stay the recovery of the balance amount. The same was paid by the SPV under protest. During the previous year FY 17-18, the Company had received a favorable order and the said demand was annulled; however, the Commissioner Excise has filed an appeal against the Order to Hon'ble High Court of Allahabad. Accordingly, the SPV has disclosed the demand and penalty amount of ₹ 23.99 million (March 31, 2019: ₹ Nil) as contingent liability.

b) The SPV had received an Order-in-Original passed by the Deputy Commissioner, Service Tax, Division - III, Noida, demanding ₹ 1.02 million in respect of denial of CENVAT credit utilised on the basis of photocopy of invoices for the AY 2014-15. Against the aforesaid Order, the SPV has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit ₹ 0.08 million to stay the recovery of the balance amount. The SPV paid full demand of ₹ 1.02 million under protest. During the year ended March 31, 2020, this matter has been settled under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019. Accordingly an amount of ₹ Nil (March 31, 2019: ₹ 1.02 million) is disclosed as contingent liability.

VCPPL:

The SPV has received a show cause cum demand notice issued by the Commissioner, Customs, Central Excise and Service Tax Commissionerate, Bombay related to period from April 1, 2012 to March 31, 2015, demanding ₹ 29.91 million along-with penalty

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of ₹ 10.75 million in respect of inclusion of notional interest accrued on security deposit in the taxable value. Against the aforesaid Order, the SPV had filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal which directed the SPV to make a pre-deposit of ₹ 2.01 million to stay the recovery of the balance amount. The same was paid by the SPV under protest and such appeal is currently pending for disposal. Accordingly, the said demand of ₹ 40.66 million (March 31, 2019: ₹ 40.66 million) has been disclosed as contingent liability.

UPPL:

(a) The SPV had received show cause notices dated July 3, 2015 for demand on irregular cenvat credit availed for ₹ 23.04 million relating to period from April 1, 2011 to March 31, 2016. Responses have been filed in August 2017 and is pending before the Commissioner of Service Tax. Accordingly, the aforementioned demand of ₹ 23.04 million (March 31, 2019: ₹ 22.88 million) is disclosed as contingent liability.

(b) The SPV had received show cause notices dated April 9, 2019 for demand of ₹ 3.78 million relating to period from April 1, 2014 to June 30, 2017 with respect to payment of salary and bonus to certain employees of the SPV which has not been considered as Management fees. Responses have been filed and is pending before the Deputy Commissioner of Service Tax. Accordingly, the aforementioned demand of ₹ 3.78 million (March 31, 2019: Nil) is disclosed as contingent liability.

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

SPV	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
MPPL	3,313.08	3,212.76	-
	3,313.08	**3,212.76**	**-**

MPPL:

(a) The SPV has received a demand order dated October 5, 2015 to pay a sum of ₹ 2,739.49 million (including interest and penalty) towards the difference in property tax payable by the SPV, which difference arose 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 the concerned property being an industrial estate that has been developed as special economic zone must be classified as 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 concerned 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 Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has filed an appeal before the aforementioned court and the same has been admitted by the court on June 27, 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 is currently pending and as of the date of these financial statements, no further developments have taken place. SPV has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability. The SPV paid ₹ 646.69 million (March 31, 2019: ₹ 646.69 million) under protest against the above demand.

(b) The SPV has also received a demand order dated October 9, 2017 to pay a sum of ₹ 760.07 million including penalty towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal has been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bengaluru objecting the total survey report and property tax assessment notice arising therefrom. A new demand notice dated January 17, 2019 was issued to pay a sum of ₹ 860.39 million towards the differential property tax for the period 2008-09 to 2017-18. The SPV, has submitted a letter to the Joint Commissioner dated March 29, 2019, referring to the appeals preferred by the SPV and had paid a sum of ₹ 286.80 million towards property tax demanded under protest. SPV has obtained external legal opinion on this matter which indicates that the SPV has a fair chance of success and the actual liability for payment is subject to final decision in the appeal pending before Joint Commissioner.

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Accordingly, net contingent liability of ₹ 573.59 million (March 31, 2019: ₹ 473.27 million) has been disclosed.

v) Others: tax matters pertaining to equity accounted investee Company

(a) GLSP (50% equity accounted investee - joint venture) Income Tax matters:

(a) GLSP has received a Tribunal order for AY 2007-08 to 2013-14 upholding the taxability of interest income basis information in the Annual Information Return (for AY 2007-08 only), upholding the disallowance on interest paid towards loans allegedly used for on-lending to certain parties and remanding the issue of disallowance on interest paid towards such loans. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all years put together is ₹ 907.40 million. GLSP has filed an appeal before the Hon'ble High Court of Karnataka on these matters. GLSP has obtained external legal opinion on this matter and accordingly disclosed the same as a contingent liability.

(b) GLSP has received a Tribunal order for AY 2005-06 to 2007-08, remanding back the case to CIT(A) with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount under dispute for all relevant years put together is ₹ 15.40 million and accordingly the same is disclosed as a contingent liability by GLSP.

(c) GLSP has received a CIT(A) order for AY 2014-15, with respect to the issue of disallowance on interest paid towards loans allegedly used for on-lending to certain parties. There are currently no tax dues outstanding for each of the years under consideration as past year tax losses have been adjusted against the aforesaid disallowances. The total disallowance amount is ₹ 252.04 million. GLSP has filed an appeal before the ITAT on these matters and accordingly the same is disclosed as a contingent liability.

(d) During the year ended March 31, 2020, GLSP has received assessment order for AY 2017-18 for disallowance under Section 14A of Income Tax Act read with rule 8D of the Income-tax Rules, Disallowance of claim under Section 80G of the Income Tax Act and addition to the income based on differences between Form 26AS and the books of account. GLSP has filed an appeal against the assessment order with CIT(A). Accordingly, GLSP has disclosed ₹ 2.83 million (March 31, 2019: ₹ Nil) as contingent liability.

(b) GLSP (50% equity accounted investee - joint venture) Service Tax matters:

(a) GLSP has received show cause notice and order-in-original dated August 14, 2011 and December 11, 2011 to pay a sum of ₹ 111.86 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period April 1, 2009 to March 31, 2011. Appeal has been filed before CESTAT. As at March 31, 2020 the appeal is pending before CESTAT for hearing and accordingly the same is disclosed as a contingent liability by GLSP.

(b) GLSP has received an Order-in-Original dated August 31, 2010 to pay a sum of ₹ 90.49 million from Office of the Commissioner of Service tax towards wrongly availed Cenvat credit during the period June 2007 to March 2009. Appeal was filed before CESTAT and a favorable order was received by the entity. Commissioner of Service Tax has filed an appeal before Hon'ble High Court of Karnataka and their application is pending for acceptance and accordingly the same is disclosed as a contingent liability by GLSP.

vi) Other matters

(a) VCPPL (Forfeiture of security deposit matters): Orange Business Services India Technology Private Limited, earlier known as Equant Technologies Services (India) Private Limited ("Equant") had filed a summary suit bearing No. 388 of 2012 with the Hon'ble Bombay High Court alleging that the SPV incorrectly terminated the letter of intent dated July 18, 2008 executed between the SPV and Equant for renting premises in Embassy 247 Park pursuant to which Equant paid to the SPV a security deposit of ₹ 40.32 million, which was withheld by the SPV on account of breach of agreed terms of the said letter of intent. The matter is currently under adjudication.

(b) EEPL: SPV received a demand notice under the Insolvency and Bankruptcy Code, 2016 (IBC) on February 28, 2019 from a third party subcontractor, engaged by IL&FS Development

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Company (IEDCL), the parent Company of IL&FS Solar Power Limited ('ISPL'), which was itself engaged by ISPL as a contractor for Embassy Energy. The demand notice alleges that unpaid amounts (categorised as operational debts) aggregating up to ₹ 1,008.10 million are due to the sub-contractor directly from EEPL for the various works claimed to have been undertaken at the site of Embassy Energy, on the basis of certain correspondence with EEPL. The demand notice requires payment within 10 days of the letter, failing which the subcontractor may initiate a corporate insolvency resolution process against EEPL. EEPL has by its letter dated March 1, 2019, refuted all such claims *inter alia* on the basis that the payments are due from ISPL (and/or its parent entity) to the sub-contractor and not from EEPL, and therefore the sub-contractor has no claim against EEPL. By its letters dated March 18, 2019, the sub-contractor has responded to the letter from EEPL, denying all statements made by EEPL and reiterating that the unpaid amounts are due from EEPL. The sub-contractor has thereafter filed an application under Section 9 of the Code before the Bengaluru bench of National Company Law Tribunal claiming debt of ₹ 997.59 million and interest thereon against EEPL. During the quarter, the third party sub-contractor vide a letter dated January 2, 2020 served the notice of hearing in the captioned matter for initiation of insolvency proceedings under Section 9 of the IBC before the NCLT, Bengaluru pursuant to its order dated December 16, 2019. The petitioner has filed a claim as an operational creditor of IEDCL for an amount of ₹ 1,008.10 million dues to the sub-contractor. The matter is in the preliminary hearing stage before the NCLT, Bengaluru and pending resolution. SPV intends to contest the claim before NCLT. SPV based on the external legal opinion obtained on this matter has disclosed the same as a contingent liability.

EEPL: The Karnataka Electricity Regulatory Commission, Bengaluru (KERC) has issued orders in 2005, 2008 and 2014 granting exemption to all solar power generators in Karnataka that achieved commercial operation date between April 1, 2013 and March 31, 2018 from paying certain charges such as payment of wheeling and banking charges, cross subsidy surcharges, transmission losses and wheeling losses for a period of ten years from the date of commissioning. KERC has issued an order dated May 14, 2018 withdrawing the aforementioned exemption available to Karnataka's power generators, including EEPL.

The SPV commissioned the solar plant during the FY 2017-2018 and as per the previous Regulation, the charges did not apply to the SPV for a period of 10 years. The SPV filed a writ petition with the Hon'ble High Court of Karnataka challenging the KERC Order and obtained an interim Stay Order dated May 24, 2018. BESCOM filed preliminary statement of objections and also filed application seeking recalling of interim order. The application seeking recalling of interim order was rejected. The Hon'ble High Court passed the judgement on March 13, 2019 allowing the Writ Petition and quashed the order dated May 14, 2018 passed by KERC. The SPV has filed the Caveat Petition for receiving notifications in case any suit/appeal is filed by any of the parties to the said petition. KERC has filed a common writ appeal against the order dated March 13, 2019. However, EEPL has not been made a party to the said appeal. In the event an adverse order is passed in the said appeal, EEPL may also be affected.

EEPL: The Karnataka Electricity Regulatory Commission has issued an order in 2018 pursuant to which banking facilities available to non-renewable energy certificate based renewable energy generators were reduced from a period of one year to six months, and restrictions were imposed on the extent of banked energy which could be withdrawn during the peak time of day. EEPL filed a writ petition against the Karnataka Electricity Regulatory Commission and others before the Hon'ble High Court of Karnataka. The Hon'ble High Court of Karnataka pursuant to an order dated August 9, 2018 granted an interim stay on the commission's order. Pursuant to an order dated July 24, 2019, the Hon'ble High Court of Karnataka has allowed the writ petition and quashed the order dated January 9, 2018 issued by the Karnataka Electricity Regulatory Commission with a direction to Karnataka Electricity Regulatory Commission to reconsider the matter. However, KERC has filed a common Writ Appeal against EEPL and others before the Division Bench of High Court and is currently pending disposal.

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(c) MPPL: SPV has filed a writ petition in 2015 against the BBMP and others seeking to inter-alia, quash (i) a circular from 2014 re-fixing the improvement charges under the Karnataka Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expenses) Rules, 2009, and (ii) a notice from 2015 demanding payment of betterment charges of ₹127.9 million. In 2016, the Hon'ble High Court of Karnataka has granted an interim stay on the impugned circular and notice.

49. Business Transfer Agreement (BTA) between QBPL and EODPL

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

QBPL borrowed ₹ 4,681.93 million from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired and purchase consideration amounting to ₹ 1,402.19 million has been recognised as goodwill as at March 31, 2019.

During the year ended March 31, 2020, goodwill amounting to ₹ 922.71 million pertaining to hospitality division of Embassy Quadron has been impaired. Refer note 6 for further details.

Particulars	Hotel Business	Commercial Business	Total
Tangible assets acquired	7,982.42	4,148.00	12,130.42
Other current assets			134.32
Total			**12,264.74**
Liabilities assumed			
Loan from banks			(8,961.78)
Other current liabilities			(23.22)
Total			**(8,985.00)**
Fair value of net assets taken over			3,279.74
Less: BTA consideration			(4,681.93)
Goodwill on acquisition			**1,402.19**

50. Business Combination

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 ₹ 300 each amounting to ₹ 183,888.64 million and by assuming liability towards purchase of equity interest in IENMPL amounting to ₹ 3,450 million (paid subsequently on April 2, 2019).

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The accounting for the business combination has been done in accordance with Ind AS-103 "Business Combination". Refer Note 2.1 "Basis of Business Combination" for more details.

Entity	Fair value of assets acquired	Fair value of liabilities assumed	Deferred tax liability on fair valuation of assets acquired and liabilities assumed	Fair value of net assets taken over	Purchase consideration	Goodwill on consolidation
EOPPL(Refer note i below)	66,677.98	7,268.06	8,554.93	50,854.99	62,768.25	11,913.26
EEPL	2,149.42	1,488.28	196.19	464.95	732.79	267.84
MPPL	77,213.62	27,492.06	11,947.20	37,774.36	48,790.52	11,016.16
UPPL	5,208.49	2,571.62	485.07	2,151.79	2,841.67	689.88
QBPL (Refer note ii below)	27,074.33	14,476.40	1,994.19	10,603.74	13,689.26	3,085.52
QBPPL	9,279.40	3,494.06	1,787.09	3,998.25	5,595.08	1,596.83
GSPL	6,233.07	2,875.44	657.25	2,700.38	4,662.50	1,962.12
OBPPL	13,652.04	6,382.50	1,490.14	5,779.40	12,308.89	6,529.49
ETPL	10,642.16	1,329.82	72.79	9,239.55	12,138.78	2,899.23
VCPPL	13,114.17	5,468.05	1,200.31	6,445.81	10,710.94	4,265.13
IENMPL (Refer note iii below)	15,103.00	5,003.61	2,960.00	7,139.39	13,210.97	6,071.58
Total	**246,347.68**	**77,849.90**	**31,345.16**	**137,152.61**	**187,449.65**	**50,297.03**

Notes:

i. Purchase consideration amounting to ₹ 71,078.44 million is towards issue of 209,227,490 units at ₹ 300 each. Further, an amount of ₹ 8,310.19 million is paid by SPV before the date of acquisition by Embassy Office Parks REIT, towards equity investment in MPPL of ₹ 8,309.11 million, in EEPL of ₹ 1 million and in GLSP of ₹ 0.08 million.

ii. During the year ended March 31, 2019, QBPL had entered into Business Transfer Agreement (BTA) with EODPL on March 11, 2019 and completed the purchase of the assets and liabilities for Hospitality segment and Commercial offices segment from EODPL as per the BTA. QBPL borrowed ₹ 4,681.93 million from Embassy Office Parks REIT to make payment for the purchase consideration. The difference between the net assets acquired (₹ 3,279.74 million) and purchase consideration (₹ 4,681.93 million) amounting to ₹ 1,402.19 million has been recognised as goodwill as at March 31, 2019. This transaction is not a part of the goodwill on consolidation as shown in the table above.

iii. Purchase consideration includes assumption of liability of ₹ 3,450 million towards one of the erstwhile shareholders of the SPV. The liability has been settled in cash on April 2, 2019.

iv. During the year ended March 31, 2020, goodwill amounting to ₹ 487.14 million pertaining to UPPL has been impaired. Refer note 6 for further details.

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Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired are as follows:

Particulars	Valuation methodology
Property, plant and equipment and Investment property	Fair values have been determined by independent external property valuers, having appropriately recognised professional qualification and recent experience in the location and category of the properties being valued. The valuers have followed "Direct comparison approach" for land except Umbel where the valuers have followed "Residual Approach", "Depreciated replacement cost approach" for the built up component, plant and machinery, capital work-in-progress and other assets and "Discounted cash flow method" for co-development. Direct comparison approach involves comparing to similar properties that have actually been sold in an arms length transaction or are offered for sale. The Residual Method is based on the assumption that the development is complete as on the date of valuation and value of the subject property is assessed by subtracting revenues from the development expenses as well as the developer margin. Depreciated replacement cost approach considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The Discounted Cash Flow Methodology is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. This methodology use market derived assumptions, including discount rates, obtained from analysed transactions.
Right-to -use trademark	The fair value of the acquired right to use trademark was established using "Relief from royalty" method. It is a methodology that assumes that if a corporation owns a trademark, then it is relieved from paying a royalty, so a hypothetical royalty payment can be estimated.
Power purchase agreement	The fair value of the power purchase agreement was established using the "Multi-period excess earnings method (MEEM)". In MEEM method, value is estimated as the present value of the benefits anticipated from ownership of the asset in excess of the returns required on the investment in the contributory assets necessary to realise those benefits.
Other assets other than those mentioned above	Book values as on the date of acquisition have been considered as fair values.
Liabilities	Liabilities includes loans and borrowings, trade payables and provision for employee benefits. Book values as on the date of acquisition have been considered as fair values.

Goodwill is attributable due to the acquisition price being dependent on the overall property valuation assuming a discounted cash flow method computed using future cash flows and other relevant assumptions as compared with the individual assets recorded at their fair values computed basis comparable approach or depreciated replacement cost basis. The acquisition was done on March 22, 2019 and thus goodwill was not assessed for impairment as at March 31, 2019. Goodwill has been tested for impairment as at March 31, 2020. Refer Note 6 for details on impairment testing.

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51. Financial instruments - Fair values

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

Particulars	Carrying value March 31, 2020	Fair Value March 31, 2020	Carrying value March 31, 2019	Fair Value March 31, 2019
Financial assets				
Amortised cost				
Loans	720.20	-	1,539.59	-
Trade receivables	242.25	-	335.86	-
Cash and cash equivalents	3,249.16	-	49,612.75	-
Other bank balances	169.79	-	1,455.99	-
Other financial assets	1,588.00	-	2,966.75	-
Investments in debentures	724.38	-	-	-
Fair value through profit and loss				
Investments in mutual funds	11,549.21	11,549.21	1,944.87	1,944.87
Total assets	**18,242.99**	**11,549.21**	**57,855.81**	**1,944.87**
Financial liabilities				
Amortised cost				
Borrowings (including current maturities of long-term debt) – floating rates	11,163.28	-	72,115.61	-
Borrowings (including current maturities of long-term debt) – Fixed rates	46,297.56	46,243.74	6,994.93	6,994.93
Lease deposits	9,497.57	-	8,752.11	-
Trade payables	254.75	-	421.87	-
Other financial liabilities	2,893.54	-	6,901.45	-
Total liabilities	**70,106.70**	**46,243.74**	**95,185.97**	**6,994.93**

The fair value of cash and cash equivalents, fixed deposits, trade receivables, investment in debentures, borrowings at floating rates, lease deposits, trade payables, loans and other financial assets and liabilities approximate their carrying amounts and hence the same has not been disclosed in the table above.

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

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

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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Financial instruments

Quantitative disclosures fair value measurement hierarchy for assets as at:

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value:					
FVTPL financial investments:					
Investment in mutual funds	March 31, 2020	11,549.21	11,549.21	-	-
Investment in mutual funds	March 31, 2019	1,944.87	1,944.87	-	-

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the years ended March 31, 2020 and March 31, 2019.

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.

iii) The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cash flows discounted at the current market rate.

C. Financial risk management

The Group has exposure to following risks arising from financial instruments:

- market risk
- credit risk
- liquidity risk

Risk management framework

The Board of Directors of the Manager of Embassy Office Parks Group has overall responsibility for the establishment and oversight of the Embassy Office Parks Group's risk management framework. The Embassy Office Parks Group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Board of Directors of the Managers of Embassy Office Parks Group oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

i. Currency risk

The Group operates only in India. The management has assessed that its exposure to currency risk is insignificant.

ii. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

Exposure to interest rate risk:

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

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Particulars	As at March 31, 2020	As at March 31, 2019
Variable-rate instruments:		
Financial liabilities		
Borrowings (Non-current and current)	11,163.28	72,115.61
Variable rate instruments exposed to interest rate risks	**11,163.28**	**72,115.61**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 1% (100 basis points) in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	+ 1%	- 1%	+ 1%	- 1%
Borrowings	**(37.21)**	**37.21**	**(721.16)**	**721.16**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

iii. *Price risk*

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Group has no material exposure to equity securities price risk and is not exposed to commodity risk. The Group's exposure to price risk arises from investments held by the Group in mutual funds and classified in the balance sheet as fair value through statement of profit and loss. The fair value of these investments is marked to an active market. The financial assets carried at fair value by the Group are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Mutual funds price risk sensitivity analysis

The Group's exposure to price risk arises from investments held by the group in mutual funds and classified in the balance sheet as fair value through statement of profit and loss.

Particulars	As at March 31, 2020	As at March 31, 2019
Increase by 1% (100 basis points)	115.49	19.45
Decrease by 1% (100 basis points)	(115.49)	(19.45)

b) Credit risk

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Group to settle its financial and contractual obligations, as and when they fall due.

The Group has an established process to evaluate the creditworthiness of its tenants and prospective tenants to minimise potential credit risk. Credit evaluations are performed by the Group before lease agreements are entered into with prospective tenants. Security in the form of bankers' guarantees or cash security deposits are obtained upon the commencement of the lease.

The Group establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to specific tenants or counterparties.

The allowance account is used to provide for impairment losses. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

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Cash at bank and fixed deposits are placed with financial institutions which are regulated and have low or no risk.

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

i. *Expected credit loss (ECL) assessment for customers/tenants as at March 31, 2020 and March 31, 2019*

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to past payment history, security by way of deposits, external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Gross carrying amount	Provision amount	Gross carrying amount	Provision amount
Up to 180 days	238.48	-	321.27	7.06
More than 180 days	19.79	16.02	57.17	35.52
	258.27	**16.02**	**378.44**	**42.58**

The movement in the allowance for impairment in respect of trade receivables is as follows:

	As at March 31, 2020
Amount as at April 1, 2019	**42.58**
Amount written off	(12.01)
Net measurement of loss allowance	(14.55)
Balance as at March 31, 2020	**16.02**

ii. *Loans: Security deposits*

Risk assessment		Year ended	Estimated gross carrying amount	Expected probability of default	ECL	Carrying amount, net of provision
Loss at 12 months ECL	Risk same since initial recognition	As at March 31, 2020	720.20	-	-	720.20
		As at March 31, 2019	1,539.59	-	-	1,539.59

iii. *Cash and bank balances*

The Group holds cash and cash equivalents of ₹ 3,249.16 million as at March 31, 2020 (March 31, 2019: ₹ 49,612.75 million) and fixed deposits with bank of ₹ 839.85 million (March 31, 2019: ₹ 3,600.05 million). The cash and cash equivalents and fixed deposits with bank are mainly held with scheduled banks which are highly regulated. The Group considers that its cash and cash equivalents and fixed deposits with bank have low credit risk based on the external credit ratings of counterparties.

iv. *Other Financial Assets*

The Group considers that its other financial assets which mainly represents unbilled revenue with its tenants and have low credit risk based on its nature and other security available.

c) Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that

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it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group monitors rolling forecasts of its liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by CODM. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to liquidity risk

The table below details the Group's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Particulars	Carrying value as at March 31, 2020	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	57,460.84	2,251.67	55,100.28	8,579.79	10,517.04	76,448.78
Trade payables	254.75	254.75	-	-	-	254.75
Lease deposits - Current and non-current	9,497.57	2,070.42	3,109.64	4,053.75	1,083.48	10,317.29
Lease Liability	322.93	20.36	40.72	40.72	10,618.82	10,720.62
Other financial liabilities - non-current	455.57	-	455.57	-	-	455.57
Other financial liabilities - current	2,115.04	2,115.06	-	-	-	2,115.06
	70,106.70	**6,712.26**	**58,706.21**	**12,674.26**	**22,219.34**	**1,00,312.07**

Particulars	Carrying value as at March 31, 2019	Contractual cash flows				
		Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	79,110.55	8,506.71	19,261.22	18,074.92	45,788.82	91,631.67
Trade payables	421.87	421.87	-	-	-	421.87
Lease deposits - Current and non-current	8,752.11	6,017.42	1,541.84	1,003.43	480.95	9,043.64
Other financial liabilities - non-current	46.36	-	46.36	-	-	46.36
Other financial liabilities - current	6,855.08	6,855.08	-	-	-	6,855.08
	95,185.97	**21,801.08**	**20,849.42**	**19,078.35**	**46,269.77**	**107,998.62**

52. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital structure mainly constitutes equity in the form of unit capital and debt. The projects are initially funded through construction financing arrangements. On completion, these borrowings are restructured into lease-rental discounting arrangements or debentures. The Group's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Group monitors capital using a ratio of 'Net debt' to 'Gross asset value (GAV) of all SPVs' including fair value of its 50% investment in GolfLinks Software Park Private Limited. For this purpose, Net debt is defined as Long-term borrowings + Short-term borrowings + current maturities of long-term borrowings - Cash and other balances - investments in mutual funds (net of NDCF to be distributed for the recent quarter). The Group's adjusted Net debt to GAV ratio as at March 31, 2020 is as follows:

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Particulars	March 31, 2020	March 31, 2019
Net debt	47,809.68	-
GAV	331,682.60	-
Net debt to GAV	14.41%	-

53. 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 condensed consolidated financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

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 categorised 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 including common area maintenance expenses (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 from 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 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, amortisation to be used consistently, 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.

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Further, the information relating to segment assets and segment liabilities are not regularly provided to CODM for review and hence the same is not disclosed.

Particulars	Commercial Offices		Hospitality		Other Segments		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	18,709.58	-	1,173.39	-	1,566.25	-	21,449.22	-
Identifiable operating expenses	(2,081.97)	-	(1,067.99)	-	(129.72)	-	(3,279.68)	-
Net Operating Income (segment results for the year)	**16,627.61**	**-**	**105.40**	**-**	**1,436.53**	**-**	**18,169.54**	**-**
Other operating expenses							(1,513.12)	(94.47)
Interest, dividend and other income							990.35	-
Earnings before finance costs, depreciation, amortisation, impairment loss and tax							**17,646.77**	**(94.47)**
Share of profit after tax of equity accounted investees							1,169.33	-
Depreciation and amortisation expenses							(5,281.24)	-
Impairment loss (Refer note 6)							(1,775.98)	
Finance costs							(3,803.54)	-
Profit/(loss) before tax							**7,955.34**	(94.47)
Tax expense							(300.00)	-
Other Comprehensive Income							0.16	-
Total comprehensive income/ (loss) for the year							**7,655.50**	**(94.47)**

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

For the year ended March 31, 2020

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	EPTPL	Total
Segment Revenue:														
Commercial Office Segment	-	8,794.81	1,497.83	-	-	870.47	925.64	1,379.28	904.16	1,472.01	1,375.32	1,490.06	-	18,709.58
Hospitality Segment	-	-	-	825.62	-	-	-	-	-	347.77	-	-	-	1,173.39
Others	-	-	-	-	1,566.25	-	-	-	-	-	-	-	-	1,566.25
Total	**-**	**8,794.81**	**1,497.83**	**825.62**	**1,566.25**	**870.47**	**925.64**	**1,379.28**	**904.16**	**1,819.78**	**1,375.32**	**1,490.06**	**-**	**21,449.22**
Net Operating Income (segment results)														
Commercial Office Segment	-	8,225.28	1,411.28	-	-	661.53	841.45	1,054.29	752.21	1,177.72	1,176.47	1,327.38	-	16,627.61
Hospitality Segment	-	-	-	323.92	-	-	-	-	-	(218.52)	-	-	-	105.40
Others	-	-	-	-	1,436.53	-	-	-	-	-	-	-	-	1,436.53
Total	**-**	**8,225.28**	**1,411.28**	**323.92**	**1,436.53**	**661.53**	**841.45**	**1,054.29**	**752.21**	**959.20**	**1,176.47**	**1,327.38**	**-**	**18,169.54**

For the year ended March 31, 2019

Particulars	Trust	MPPL	EOPPL	UPPL	EEPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	EPTPL	Total
Segment Revenue:														
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality Segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Operating Income (segment results)	-													
Commercial Office Segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Information about major customers

Revenue from operations from customers amounting to 10% or more of the segment revenue is as follows (at SPV level):

Segment	Commercial Offices										Hospitality		Other Segments
	MPPL	EOPPL	GSPL	ETPL	OBPL	QBPPL	QBPL	VCPPL	IENMPL	EPTPL	UPPL	QBPL	EEPL
Number of customers	2	2	3	3	4	1	3	2	2	0	0	0	3
Amount	3,032.51	613.51	836.89	726.71	1,107.79	228.02	1,400.62	301.90	537.44	-	-	-	1,414.07

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54. Related party disclosures

I. List of related parties

A. Parties to Embassy Office Parks REIT

Embassy Property Developments Private Limited - Co-Sponsor
BRE/Mauritius Investments – Co-Sponsor
Embassy Office Parks Management Services Private Limited – Investment Manager or Manager
Axis Trustee Services Limited – Trustee

The co-sponsor groups consist of the below entities
Embassy Property Developments Private Limited – Co-Sponsor
Embassy One Developers Private Limited
D M Estates Private Limited
Embassy Services Private Limited
GolfLinks Properties Private Limited

BRE/Mauritius Investments – Co-Sponsor

SG Indian Holding (NQ) Co. I Pte. Limited	BREP VII SBS NTPL Holding (NQ) Limited	BREP Asia SBS Oxygen Holding (NQ) Limited	BREP Asia SG Indian Holding (NQ) Co II Pte. Limited
SG Indian Holding (NQ) Co. II Pte. Limited	BREP GML Holding (NQ) Pte Limited	BREP VII SBS Oxygen Holding (NQ) Limited	BREP VII SG Indian Holding (NQ) Co II Pte. Limited
SG Indian Holding (NQ) Co. III Pte. Limited	BREP VII GML Holding (NQ) Pte Limited	BREP Asia HCC Holding (NQ) Pte Limited	BREP Asia SBS Holding-NQ CO XI Limited
BRE/Mauritius Investments II	BREP Asia SBS GML Holding (NQ) Limited	BREP VII HCC Holding (NQ) Pte Limited	BREP VII SBS Holding-NQ CO XI Limited
BREP NTPL Holding (NQ) Pte Limited	BREP VII SBS GML Holding (NQ) Limited	BREP Asia SBS HCC Holding (NQ) Limited	
BREP VII NTPL Holding (NQ) Pte Limited	BREP Asia SG Oxygen Holding (NQ) Pte Limited	BREP VII SBS HCC Holding (NQ) Limited	
BREP Asia SBS NTPL Holding (NQ) Limited	BREP VII SG Oxygen Holding (NQ) Pte Limited	India Alternate Property Limited	

Directors & KMPs of the Investment Manager (Embassy Office Parks Management Services Private Limited)

Directors
Jitendra Virwani
Tuhin Parikh
Vivek Mehra
Ranjan Ramdas Pai
Anuj Puri (w.e.f. August 6, 2018)
Punita Kumar Sinha (w.e.f. August 6, 2018)
Robert Christopher Heady (w.e.f. August 6, 2018)
Aditya Virwani (w.e.f. August 6, 2018)
Asheesh Mohta – Director (w.e.f. June 28, 2019, alternate to Robert Christopher Heady)

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

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(all amounts in ₹ million unless otherwise stated)

B. Joint Venture

GolfLinks Software Parks Private Limited

C. Other related parties with whom the transactions have taken place during the year

Vikas Telecom Private Limited
Dynasty Properties Private Limited
Snap Offices Private Limited (formerly known as Stylus Commercial Services Private Limited)
Synergy Property Development Services Private Limited (Up to November 5, 2019*
Embassy Industrial Parks Private Limited
GolfLinks Embassy Management Services LLP
GolfLinks Park Management Services LLP
Wework India Management Private Limited
Embassy Shelters Private Limited
Manyata Builders Private Limited
Manyata Projects Private Limited
FIFC Condominium
Reddy Veeranna Constructions Private Limited
Embassy Construction Private Limited
Mac Charles (India) Limited
Lounge Hospitality LLP
EPDPL Coliving Operation LLP
EPDPL Coliving Private Limited
Embassy Projects Private Limited

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(all amounts in ₹ million unless otherwise stated)

II. Related party transactions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Property Management fees		
Embassy Office Park Management Services Private Limited	486.13	-
REIT Management fees		
Embassy Office Park Management Services Private Limited	214.81	-
Purchase of intangible assets		
Embassy Office Park Management Services Private Limited	8.84	-
Purchase of Investment Property		
Reddy Veeranna Constructions Private Limited	4.51	-
Common area maintenance		
Embassy Services Private Limited	561.43	-
GolfLinks Embassy Business Park Management Services LLP	24.11	-
FIFC Condominium	67.01	-
Repairs and maintenance - building		
FIFC Condominium	6.13	-
Business consultancy services (capitalised)		
Embassy Property Developments Private Limited	124.90	-
Income from generation of renewable energy from the tenants of		
Vikas Telecom Private Limited	377.32	-
Embassy Property Developments Private Limited	87.55	-
Dynasty Properties Private Limited	39.32	-
GolfLinks Software Park Private Limited	224.87	-
Security Deposit given/(repaid) to/(by) related party		
Embassy Property Developments Private Limited	(991.50)	-
Capital advances paid		
Embassy Property Developments Private Limited (refer note below)	4,884.97	-
Reddy Veeranna Constructions Private Limited	4.02	-
FIFC Condominium	9.71	-
Rental and maintenance income		
Wework India Management Private Limited	108.85	-
Snap Offices Private Limited	36.85	-
Interest income		
GolfLinks Software Park Private Limited	72.19	-
Embassy Services Private Limited	3.63	-
Embassy Property Development Private Limited	160.47	-
Reddy Veeranna Construction Private Limited	1.53	-
Other operating income		
Embassy Property Developments Private Limited	215.88	-

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from management fees		
GolfLinks Software Park Private Limited	45.00	-
Project management consultancy fees (capitalised)		
Synergy Property Development Services Private limited	91.53	-
Amount paid for civil works (capitalised)		
Synergy Property Development Services Private limited	539.28	-
Power and fuel expenses		
Embassy Services Private Limited	117.51	-
Reversal of impairment on investments		
Manyata Projects Private Limited	(156.98)	-
Investments written off		
Manyata Projects Private Limited	156.98	-
Legal and professional charges		
Embassy Services Private Limited	48.44	-
Security charges		
Embassy Services Private Limited	12.94	-
Trademark and license fees		
Embassy Shelters Private Limited	1.42	-
Purchase of consumables		
Embassy One Developers Private Limited	16.81	-
Rates and taxes		
Embassy One Developers Private Limited	2.06	-
Revenue - Room rentals, sale of food and beverages		
Jitendra Virwani	2.34	-
Embassy Property Developments Private Limited	5.25	-
Embassy One Developers Private Limited	1.96	-
Vikas Telecom Private Limited	0.31	-
JV Holding Private Limited	0.04	-
Others	4.99	-
Investment in debentures		
GolfLinks Software Parks Private Limited	2,500.00	-
Redemption of investment in debentures		
GolfLinks Software Parks Private Limited	1,775.62	-
Secondment fees		
Embassy Office Parks Management Services Private Limited	1.42	-
Trustee fees		
Axis Trustee Services Limited	2.96	-

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(all amounts in ₹ million unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Miscellaneous expenses		
Mac Charles (India) Limited	0.48	-
Business Promotion expenses		
Lounge Hospitality LLP	0.06	-
Reimbursement of expenses (received)/paid		
Embassy Services Private Limited	29.77	-
Embassy One Developers Private Limited	(6.26)	9.54
Embassy Office Parks Management Services Private Limited	53.87	157.50
Initial refundable receipt from Co-sponsor - received/(repaid)		
Embassy Property Development Private Limited	(0.50)	0.50
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. Limited.	-	31,228.49
SG Indian Holding (NQ) Co II Pte. Limited.	-	20.24
SG Indian Holding (NQ) Co III Pte. Limited.	-	135.39
BRE/Mauritius Investments	-	28,083.23
India Alternate Property Limited	-	11,834.10
BREP Asia SG Indian Holding (NQ) Co. II Pte Limited	-	7,770.49
BREP VII SG Indian Holding (NQ) Co II Pte Limited	-	1,941.58
BREP Asia SBS Holding-NQ Co. XI Limited	-	38.24
BREP VII SBS Holding-NQ Co. XI Limited	-	10.66
BREP Asia HCC Holding (NQ) Pte Limited	-	8,548.39
BREP VII HCC Holding (NQ) Pte Limited	-	2,130.08
BREP Asia SBS HCC Holding (NQ) Limited.	-	20.36
BREP VII SBS HCC Holding (NQ) Limited.	-	12.10
BRE/Mauritius Investments II	-	13,689.26
BREP NTPL Holding (NQ) Pte. Limited	-	4,454.94
BREP VII NTPL Holding (NQ) Pte. Limited.	-	1,112.97
BREP Asia SBS NTPL Holding (NQ) Limited.	-	21.13
BREP VII SBS NTPL Holding (NQ) Limited	-	6.04
BREP Asia SG Oxygen Holding (NQ) Pte. Limited.	-	9,798.86
BREP VII SG Oxygen Holding (NQ) Pte. Limited	-	2,448.42
BREP Asia SBS Oxygen Holding (NQ) Limited	-	48.25
BREP VII SBS Oxygen Holding (NQ) Limited	-	13.36
BREP GML Holding (NQ) Pte. Limited.	-	3,712.50
BREP VII GML Holding (NQ) Pte. Limited	-	927.45
BREP Asia SBS GML Holding (NQ) Limited	-	17.54
BREP VII SBS GML Holding (NQ) Limited	-	5.01
Margin money kept on behalf of Trust		
Embassy Office Parks Management Services Private Limited	-	20.00

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III. Related party balances

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security deposits			
Embassy Property Developments Private Limited	-	953.64	-
Embassy Services Private Limited	60.50	-	-
Advance from Customers			
Wework India Management Private Limited	1.92	-	-
Trade payables			
Embassy Services Private Limited	91.74	-	-
Embassy Office Parks Management Service Private Limited	4.66	13.71	-
GolfLinks Embassy Business Park Management services LLP	2.01	-	-
FIFC Condominium	17.53	-	-
Unbilled revenue			
Vikas Telecom Private Limited	25.05	-	-
Embassy Property Developments Private Limited	8.92	-	-
Dynasty Properties Private Limited	3.73	-	-
GolfLinks Software Parks Private Limited	24.12	-	-
Other current financial assets – other receivables from related party			
Embassy Property Developments Private Limited	-	225.22	-
Manyata Builders Private Limited	5.63	-	-
Embassy One Developers Private Limited	2.31	-	-
Other current financial liabilities			
Embassy Property Developments Private Limited	-	19.33	-
Embassy One Developers Private Limited	0.05	9.54	-
Embassy Services Private Limited	115.48	-	-
Embassy Office Parks Management Services Private Limited	56.14	158.00	-
FIFC Condominium	0.95	-	-
Current liabilities – payable for purchase of fixed assets			
Embassy Property Developments Private Limited	14.73	20.94	-
Reddy Veeranna Constructions Private Limited	-	30.00	-
Other non-current assets – capital advance			
Embassy Shelters Private Limited	206.34	340.32	-
Reddy Veeranna Constructions Private Limited	6.51	-	-
FIFC Condominium	9.71	-	-
Other current assets – Advance for supply of goods and rendering of services			
FIFC Condominium	2.78	-	-
Other non-current assets – advance paid for purchase of development rights on a land and purchase of land			
Embassy Property Developments Private Limited (refer note below)	13,998.26	8,774.00	-

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Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade receivables			
Embassy Property Developments Private Limited	51.48	-	-
Embassy One Developers Private Limited	1.20	-	-
GolfLinks Embassy Business Park Management Services LLP	1.86	-	-
Wework India Management Private Limited	0.17	-	-
Others	2.32	10.56	-
Lease deposits			
Wework India Management Private Limited	7.20	7.20	-
Snap Offices Private Limited	4.82	-	-
Investment in Debentures			
GolfLinks Software Parks Private Limited	724.38	-	-
Liability towards margin money kept on behalf of Trust			
Embassy Office Parks Management Services Private Limited	-	20.00	-
Corporate guarantee/letter of undertaking received for loan taken			
Embassy Property Developments Private Limited	-	2,300.00	-
Initial refundable receipt from co-sponsor			
Embassy Property Developments Private Limited	-	0.50	-
Other current financial liabilities – Security deposit			
Vikas Telecom Private Limited	105.00	105.00	-
GolfLinks Software Parks Private Limited	80.00	80.00	-

Notes:
Manyata Promoters Private Limited ('MPPL') and Embassy Property Developments Private Limited ('EPDPL') entered into a co-development agreement whereby EPDPL shall develop 1 msf M3 Block A bare shell building to be handed over to MPPL by agreed delivery date for a consideration of ₹ 6,550 million to EPDPL, of which ₹ 6,269.20 million has already been paid as of March 31, 2020. The carrying cost in the consolidated financial statements of the above advance is ₹ 9,403.11 million as at March 31, 2020 which includes one time fair valuation gain on purchase price allocation on acquisition by the REIT (Refer Note 50).

During the year ended March 31, 2020, to further consolidate/expand the M3 land parcel within Embassy Manyata campus, MPPL and EPDPL entered into another co-development agreement whereby EPDPL shall develop 0.6 msf M3 Block B bare shell building to be handed over to MPPL by agreed delivery date of March'2023 for a consideration of ₹ 6,767 million to EPDPL, of which ₹ 4,255.85 million has already been paid as of March 31, 2020. As per terms of both of these co-development agreements, consideration is contingent on pre-defined leasing timelines and Net Operating Income. Further, EPDPL is liable to pay a compensation for any delay in delivery beyond agreed date of respective blocks. MPPL has also appointed EPDPL as the development manager, to convert the bare shell buildings to warm shell and obtain the occupancy certificate for the buildings by agreed timeline for an agreed consideration. Further, interest as agreed and approved by the Board of MPPL is payable by EPDPL to MPPL upto the date of completion of the M3 Block B. The Group has obtained two independent valuation reports as required by the REIT regulations for acquisition and the average of the two valuations amounts to ₹ 8,728.62 million (including conversion of bareshell to warmshell). No fees or commission is payable to any associate of the related party in relation to the transaction.

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55. Employee benefits

I Defined contribution plan

The Group has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as under:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution to Provident Fund	12.80	-
Employer's contribution to Employee State Insurance Corporation	2.00	-
Expense recognised during the year	**14.80**	**-**

II Defined benefit plan

A. Gratuity:

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

a) Reconciliation of the net defined benefit obligations

(i) Change in projected benefit obligation:

Particulars	As at March 31, 2020	As at March 31, 2019
Obligations at beginning of the year	4.80	-
Current service cost	2.04	-
Interest on defined benefit obligation	0.23	-
Past service cost	0.27	-
Benefits settled	(1.84)	-
Actuarial (gains)/losses on obligations – due to experience variance	(0.57)	-
Actuarial (gains)/losses on obligations – due to change in financial assumptions	0.41	-
Actuarial (gains)/losses on obligations – due to change in demographic assumptions	-	-
Projected benefit obligations acquired as part of business combination	-	4.80
Obligations at the end of year	**5.34**	**4.80**

(ii) Change in plan assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Plan assets at year beginning, at fair value	0.06	-
Expected return on plan assets (estimated)	-	-
Actuarial gain/(loss)	-	-
Interest on plan assets	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets acquired as part of business combination	-	0.06
Plan assets at end of the year, at fair value	**0.06**	**0.06**

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(all amounts in ₹ million unless otherwise stated)

(iii) Net defined benefit obligations recognised in balance sheet:

Particulars	As at March 31, 2020	As at March 31, 2019
Closing obligations	5.34	4.80
Closing fair value of plan assets	(0.06)	(0.06)
	5.28	**4.74**
Liability recognised in the balance sheet		
Net liability:	5.28	4.74
Non-current	5.25	3.01
Current	0.03	1.73

As at March 31, 2020, discontinuance liability of the Group towards gratuity is ₹ 9.58 million.

b) *(i) Expense recognised in statement of profit and loss:*

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Service cost	2.04	-
Interest cost	0.23	-
Past service cost	0.27	-
Net gratuity cost	**2.54**	**-**

(ii) Remeasurements recognised in other comprehensive income:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.41	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to experience variance	(0.57)	-
	(0.16)	**-**

c) Other disclosures

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	5.30% to 6.85%	7.50%
Salary increase	5.00%	5.00%
Attrition rate	2% to 5%	2% to 5%
Retirement age	58 years to 60 years	60 years

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in million

Particulars	For the year ended March 31, 2020	
	Increase	Decrease
Discount rate (50 basis points movement)	(0.27)	0.47
Employee attrition rate (50 basis points movement)	(0.39)	0.85
Future salary growth (50 basis points movement)	0.48	(0.28)

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Particulars	For the year ended March 31, 2019	
	Increase	Decrease
Discount rate (50 basis points movement)	(1.89)	(1.41)
Future salary growth (50 basis points movement)	(1.41)	(1.90)

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

(iii) The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

(iv) The expected future cash flows in respect of gratuity:

Projected benefits payable in future years from the reporting date	As at March 31, 2020	As at March 31, 2019
1st following year	0.10	-
2nd to 5th year	1.42	-
6th to 10th year	1.76	-
Beyond 10 years	14.56	-

B. Compensated absences:

The compensated absences cover the Group's liability for earned leave which are classified as other long-term benefits. According to the Group's policy on compensated absences, employees can encash their accumulated leave balance based on their last drawn gross salary.

(i) Liability recognised in the balance sheet

	As at March 31, 2020	As at March 31, 2019
Non-current	-	2.07
Current	2.34	1.28
Total	**2.34**	**3.35**

(ii) Expense recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Compensated absence expense	0.28	
	0.28	**-**

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Other disclosures

Other disclosures are not provided for compensated absences, since the amount of provision for compensated absences is immaterial for the Group.

C. Risk exposure:

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

i. **Liquidity Risk:** The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

ii. **Change in bond yields:** Plan assets, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

iii. **Inflation risks:** Gratuity payments are based on last drawn salary of the employee. Increase in inflation will increase the future salary of employees, thus resulting in increase in projected benefit obligations.

iv. **Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

56. Transition to Ind AS 116

On transition, the Embassy Office Parks Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date. The Embassy Office Parks Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets.

On transition, the Embassy Office Parks Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability measured on the transition date. Accordingly, a right-of-use asset of ₹ 312.10 million and a corresponding lease liability of ₹ 312.10 million has been recognised. The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 – Leases, were earlier reported under cash flows from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

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Impact of application of Ind AS 116 on consolidated balance sheet (increase/(decrease)):

	As at March 31, 2020
Assets	
Right-of-use assets	308.15
Total assets	**308.15**
Equity	
Retained earnings	(14.79)
Total equity	**(14.79)**
Liabilities	
Lease liabilities	322.93
Deferred tax liabilities	7.39
Total liabilities	**330.32**

Impact of application of Ind AS 116 on statement of profit and loss (increase/(decrease) in profit):

	For the year ended March 31, 2020
Increase in Depreciation	(3.95)
Increase in Interest on lease liabilities	(31.20)
Decrease in Rental expenses	20.36
Impact on Profit before tax	**(14.79)**

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

A. Group as a lessor

The Embassy Office Parks Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease in a joint venture. The Embassy Office Parks Group accounted for its leases in accordance with Ind AS 116 from the date of transition. The Group does not have any significant impact on account of sub-lease on the application of this standard.

i. Operating leases

The Embassy Office Parks REIT Group is primarily engaged in the business of development and lease of office space and related interiors. The Group leases out its Investment property on operating leases basis.

Rental income from non-cancellable leases is recognised on a straight-line basis over the term of the relevant lease. For more details on accounting as a lessor, refer note 2.2(q).

The table below provides details regarding the lease payments as at March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than one year	7,265.96	5,678.21
Later than one year but within five years	12,176.48	11,214.99
Later than five years	952.53	104.66
	20,394.97	**16,997.86**

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The Embassy Office Parks REIT Group has entered into operating lease agreements with its lessees. The total lease rental income recognised in the Consolidated Statement of Profit and Loss for the year ended March 31, 2020 is ₹ 16,689.99 million (March 31, 2019: Nil).

ii. Finance leases

The Embassy Office Parks Group has provided fit-outs to the tenants through finance leases. The total finance income on net investment in lease recognised in the Consolidated Statement of Profit and Loss for the year ended March 31, 2020 is ₹ 2.28 million (March 31, 2019: Nil). The future minimum lease receipts in respect of non-cancellable lease for fit outs given on finance lease are as follows:

Particulars	As at March 31, 2020		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	27.01	10.13	16.88
Later than one year but within five years	14.10	5.49	8.61
Later than five years	-	-	-
	41.11	**15.62**	**25.49**

Particulars	As at March 31, 2019		
	Minimum lease payments	Unearned Finance Income	Present value of minimum lease payments
Not later than one year	86.73	12.79	73.94
Later than one year but within five years	68.69	5.11	63.58
Later than five years	-	-	-
	155.42	**17.90**	**137.52**

B. Group as a lessee

The details of the right-of-use assets (capitalised under leasehold land) held by the Group is as follows:

	Balance as on transition date (April 1, 2019)	Depreciation for the year	Carrying amount as at March 31, 2020
Leasehold land	312.10	3.95	308.15
Total	**312.10**	**3.95**	**308.15**

Rental expense recorded for short-term leases was Nil for the year ended March 31, 2020.

Refer Statement of Cash Flow for total cash outflow on account of lease payments during the year ended March 31, 2020.

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(all amounts in ₹ million unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than one year	20.36	-
Later than one year but within three years	40.72	-
Later than three years but within five years	40.72	-
Later than five years	10,618.82	-

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

57. Deferred tax assets, deferred tax liabilities and tax expense

(a) Deferred tax balances

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities on		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	(39,277.12)	(45,597.80)
Share of profit from equity accounted investee	(5,491.62)	-
Fair valuation of financial assets	-	(11.11)
Impact of financial assets and liabilities carried at amortised cost	(3.57)	-
Unbilled revenue	(179.58)	(82.54)
Fair valuation of security deposit (net of deferred income on security deposit)	(2.94)	(3.89)
Tax impact of difference in carrying amount and tax base of other assets	(737.32)	-
Others	1.38	(37.43)
Deferred tax assets on		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	0.80	33.74
Fair valuation of security deposit (net of deferred income on security deposit)	5.01	19.14
Deferred tax on acquisition	-	96.46
Unabsorbed depreciation and carry forward losses	1,163.12	1,114.92
Tax impact of other consolidation adjustments	71.89	-
Others	27.30	35.07
Minimum Alternate Tax credit entitlement	4,015.29	3,009.06
Net Deferred Tax Asset/(Liability)	**(40,407.38)**	**(41,424.39)**

(b) The unrecognised deferred tax assets amounts to Nil. (March 31, 2019: ₹ 33.89 million).

Notes

to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

(c) Reconciliation of Effective Tax Rate

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax	7,955.34	(94.47)
Enacted tax rate	29.12%	35.88%
Income tax on accounting profits	**2,316.60**	**(33.89)**
Reconciliation items:		
Effect of Non-deductible expenses	2,341.42	-
Effect of exempt income and tax holidays	(4,422.48)	-
Adjustment for tax of prior years	(117.29)	-
Impact of difference in tax rate of SPV's	859.98	-
Deductions allowed under income tax laws but not debited to Statement of profit and loss	(339.78)	-
Expenses disallowed in prior years and allowed in current year in various SPV's under tax laws	34.80	
Tax impact of share of profit from equity accounted investee	(340.51)	-
Tax impact of consolidation adjustments	(431.22)	-
Impact of deferred tax not recognised on goodwill impairment loss as per Ind AS requirement	410.55	-
Dividend distribution tax paid by SPV's presented as current tax expense in consolidated financial statements pursuant to Ind AS requirements	22.83	-
Unrecognised deferred tax asset	-	33.89
Other Adjustments	(34.89)	-
Tax expense at effective income tax rate	**300.00**	**-**

58. Details of utilisation of proceeds of IPO are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2019	Unutilised amount as at March 31, 2019	Actual utilisation upto March 31, 2020	Unutilised amount as at March 31, 2020
Partial or full repayment or pre-payment of bank/ financial institution debt of certain SPVs	37,100.00	-	37,100.00	37,100.00	-
Payment of consideration for acquisition of the Embassy One	4,681.93	4,681.93	-	4,681.93	-
General purposes including issue expenses	5,718.07	-	5,718.07	5,718.07	-
Total	**47,500.00**	**4,681.93**	**42,818.07**	**47,500.00**	**-**

59. Details of utilisation of proceeds of issue of Embassy REIT Series I NCD 2019 are as follows:

Objects of the issue as per the prospectus	Proposed utilisation	Actual utilisation upto March 31, 2020	Unutilised amount as at March 31, 2020
Partial or full repayment or pre-payment of bank/financial institution debt of certain SPVs and granting of shareholder debt	35,550.00	35,550.00	-
General purposes including issue expenses	950.00	950.00	-
Total	**36,500.00**	**36,500.00**	**-**

Notes

to the Consolidated Financial Statements

(all amounts in ₹ million unless otherwise stated)

60. Distributions

The Board of Directors of the Manager to the Trust, in their meeting held on May 19, 2020, have declared distribution to Unitholders of ₹ 6.89 per unit which aggregates to ₹ 5,316.77 million for the quarter ended March 31, 2020. The distributions of ₹ 6.89 per unit comprises ₹ 2.49 per unit in the form of interest payment, ₹ 0.23 per unit in the form of dividend and the balance ₹ 4.17 per unit in the form of amortisation of SPV debt.

Along with distribution of ₹ 13,504.15 million/₹ 17.50 per unit for the nine-months ended December 31, 2019, the cumulative distribution for the year ended March 31, 2020 aggregates to ₹ 18,820.92 million/₹ 24.39 per unit.

61. The REIT acquired the SPVs by issuing units to the erstwhile shareholders of the SPVs on March 22, 2019. The results of the SPVs have been consolidated accordingly from such date and hence the numbers for the previous year ended March 31, 2019 are not comparable.

The consolidated financial statements of the Embassy Office Parks Group for the year ended March 31, 2019 have been audited by a firm of chartered accountants other than S R Batliboi & Associates LLP.

for **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firms registration number: 101049W/E300004

Adarsh Ranka
Partner
Membership number: 209567
Place: Bengaluru
Date: May 19, 2020

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

Jitendra Virwani
Director
DIN: 00027674
Place: Bengaluru
Date: May 19, 2020

Tuhin Parikh
Director
DIN: 00544890
Place: Mumbai
Date: May 19, 2020

Valuation Report

SUMMARY VALUATION REPORT

Embassy Office Parks Management Services Private Limited in its capacity as manager of The Embassy Office Parks REIT

EMBASSY MANYATA, BENGALURU
EXPRESS TOWERS, MUMBAI
EMBASSY 247, MUMBAI
FIRST INTERNATIONAL FINANCE CENTRE (FIFC), MUMBAI
EMBASSY TECHZONE, PUNE
EMBASSY QUADRON, PUNE
EMBASSY QUBIX, PUNE
EMBASSY OXYGEN, NOIDA
EMBASSY GALAXY, NOIDA
EMBASSY GOLFLINKS, BENGALURU
EMBASSY ONE, BENGALURU
HILTON AT EMBASSY GOLFLNKS, BENGALURU
EMBASSY ENERGY, BELLARY DISTRICT, KARNATAKA

DATE OF VALUATION: SEPTEMBER 30, 2019
DATE OF REPORT: NOVEMBER 4, 2019

Value Assessment Service

CBRE

Valuer under SEBI (REIT) Regulations, 2014

iVAS

1 Instruction

Mr. Manish Gupta (Founder and Partner, iVAS Partners) has been instructed by **Embassy Office Parks Management Services Private Limited** (the '**Client**', the **'Instructing Party')** in its capacity as **manager of The Embassy Office Parks REIT (Embassy REIT)** to advice upon the Market Value (MV) of properties comprising of commercial office real estate assets located across Bengaluru, Pune, Mumbai and Noida as well as affiliated facilities including a solar park, retail spaces and hotels (together herein referred as subject properties across the report).

CBRE has been instructed by the Client to be the 'Value Assessment Service Provider' for providing market intelligence to the 'Valuer' (Mr. Manish Gupta, Founder and Partner, iVAS Partners) and forecasting cash flows from the respective assets. The Valuer has utilized the market intelligence provided by CBRE and independently reviewed the cash flows to arrive at the Market Value of the respective assets as per the SEBI (REIT) regulations 2014. Mr. Manish Gupta (Founder and Partner, iVAS Partners) and CBRE are collectively referred to as the Consultants for the purpose of this report.

The details of the subject properties under the purview of this valuation exercise are tabulated below:

Development Name	Location
Embassy Manyata	Bengaluru
Express Towers	Mumbai
Embassy 247	Mumbai
First International Finance Centre	Mumbai
Embassy TechZone	Pune
Embassy Quadron	Pune
Embassy Qubix	Pune
Embassy Oxygen	Noida
Embassy Galaxy	Noida
Embassy GolfLinks	Bengaluru
Embassy One	Bengaluru
Hilton at Embassy GolfLinks	Bengaluru
Embassy Energy	Bellary District, Karnataka

1.1 Purpose

The Valuer understands that the valuation is required by the Client for financial and investor reporting purposes to comply with the requirements of Regulation 21 of the SEBI (REIT) Regulations, 2014.

1.2 Reliant Party

Reliant parties to this report shall mean Embassy Office Parks Management Services Private Limited (EOPMSPL), the Embassy Office Parks REIT ("Embassy REIT") and their Unit Holders and Axis Trustee Services Limited (the Trustee for the Embassy REIT) for the purpose (of the valuation) as highlighted in this report. The auditors would be extended reliance by the 'Consultants' but would extend no liability to the auditors.

The valuation will be prepared strictly and only for the use of the Reliant Party and for the Purpose specifically stated. The instructing party would make all reliant parties aware of the terms and conditions of this agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

1.3 Limitation of Liability

- The 'Consultants' provide the Services exercising due care and skill, but the 'Consultants' do not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the 'Consultants' shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to the 'Consultants' by the Instructing Party.

- The Consultants' maximum aggregate liability for claims arising out of or in connection with the Valuation Report, under this contract shall not exceed Indian Rupees 30 mn.

- In the event that any of the Sponsor, Manager, Trustee, Embassy REIT in connection with the report be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Valuation Report, the Claim Parties will be entitled to require the 'Consultants' to be a necessary party/ respondent to such claim and the 'Consultants' shall not object to their inclusion as a necessary party/ respondent. If the 'Consultants' do not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the 'Consultants' in this regard and the Consultants' liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.

- The Consultants will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

1.4 Capability of Valuer and Value Assessment Service Provider

Valuer under SEBI (REIT) Regulations, 2014: Mr. Manish Gupta, Partner, iVAS Partners

Manish Gupta, Partner at iVAS Partners, is a Registered Architect with Council of Architecture (COA) and a member of the Royal Institute of Charted Surveyors (MRICS) and Institution of Valuers (IOV), with over 12 years of experience in the real estate industry. Manish is a seasoned professional with experience in providing real estate valuation services to a wide spectrum of clients including financial institutions, private equity funds, developers, NBFCs, corporate houses, banks, resolution professionals, land owners, etc.

He has worked on variety of valuation, consulting and technical due-diligence assignments for various purposes including investment related due diligence, mortgage/collateral appraisals, financial reporting, listing purposes, IBC led requirements, etc. across a range of asset classes such as residential projects, integrated township developments, hospitality assets, commercial (office and retail) projects, industrial developments, warehousing parks, educational projects, healthcare developments, etc. for both national as well as international clients.

Value Assessment Service Provider: CBRE South Asia Pvt. Ltd.

CBRE Advisory Services India is an integral part of CBRE Global Valuation & Advisory Services team. The Global VAS team comprises of over 1,500 professionals across approximately 280 offices globally and India Advisory Services team comprises of more than 280 professionals.

CBRE Advisory Services India have completed over 80,000 valuation and advisory assignments across varied asset classes spread across 20 states and 300+ cities. CBRE provides quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. CBRE derives global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

EMBASSY OFFICE PARKS MANAGEMENT SERVICES PRIVATE LIMITED | EMBASSY OFFICE PARKS REIT

Our dedicated and experienced professionals provide quality services from 9 offices across India (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune and Ahmedabad). Our professionals have a varied qualification base such as Royal Institute of Chartered Surveyors (RICS) or IOV, IIV certified valuation professional, master planner, architect, MBA, CA, CFA, etc. and this entire multi-faceted experience helps us in achieving our commitment to provide the highest level of professional expertise to our clients.

CBRE Advisory Services India team has substantial experience with several institutional clients including financial institutions, real estate funds, private equity funds, developers, corporates, banks, NBFCs, etc.

1.5 Disclosures

The Consultants hereby certify that:

- iVAS Partners (Valuer Registration Number: IBBI/RV-E/02/2020/112), represented by Mr. Manish Gupta (hereinafter referred to as the Valuer), is eligible to be appointed as a valuer in terms of Regulation 2(1)(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- Neither CBRE nor iVAS Partners (represented by Mr. Manish Gupta - Partner, iVAS Partners) are an associate of the instructing party
- Mr. Manish Gupta, Partner, iVAS Partners (the Valuer) has a minimum of five years of experience in the valuation of real estate
- The Valuer has not been involved with the acquisition or disposal within the last twelve months of any of the properties valued under this summary valuation report in the last twelve months
- The Valuer has adequate and robust internal controls to ensure the integrity of the valuation reports
- The Valuer has sufficient key personnel with adequate experience and qualification to perform services related to property valuation at all times
- The Valuer has sufficient financial resources to enable them to conduct their business effectively and meet their liabilities
- The Valuer has acquainted itself with all laws or regulations relevant to such valuation
- The valuation of assets undertaken is impartial, true and fair and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- The Valuer and any of its employees/ consultants involved in valuation of the REIT assets are not invested in units of the REIT or in the assets being valued till the time such person is designated as valuer of such REIT and not less than 6 months after ceasing to be valuer of the REIT
- The Valuer has conducted the valuation of the REIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise professional judgement
- The Valuer has acted with independence, objectivity and impartiality in performing the valuation
- The Valuer has discharged its duties towards the Embassy REIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the said assignment
- The Valuer shall not accept remuneration, in any form, for performing a valuation of the REIT assets from any person other than the Embassy REIT or its authorised representatives.
- The Valuer shall before accepting any assignment from any related party to the Embassy REIT, shall disclose to the Embassy REIT, any direct or indirect consideration which the valuer may have in respect of such assignment

- The Valuer shall disclose to the trustee of the Embassy REIT, any pending business transactions, contracts under negotiation and other arrangements with the Instructing Party or any other party whom the Embassy REIT is contracting with and any other factors which may interfere with the Valuer's ability to give an independent and professional valuation of the property
- The Valuer shall not make false, misleading or exaggerated claims in order to secure assignments
- The Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information
- The Valuer shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Embassy REIT
- The valuation undertaken by the Valuer abides by international valuation standards and valuation standards as may be specified by the Institute of Chartered Accountants of India for valuation of real estate assets. Provided that in case of any conflict, standard specified by the Institute of Chartered Accountants of India shall prevail
- The Valuer notes that there are encumbrances, however, no options or pre-emptions rights in relation to the assets based on the title report prepared by King & Partridge, Shardul Amarchand Mangaldas & Co, Cyril Amarchand Mangaldas, Little & Company, Jayashree Sridhar and Law Shield (hereinafter collectively referred to as 'Legal Counsels')

1.6 Assumptions, Disclaimers, Limitations & Qualifications to Valuation

Valuation Subject to Change:	• The subject valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future
Our Investigations:	• The Consultants are not engaged to carry out all possible investigations in relation to the subject properties. Where in our report the Consultants identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where the Consultants recommend as necessary prior to reliance. The Consultants are not liable for any loss occasioned by a decision not to conduct further investigations
Assumptions:	• Assumptions are a necessary part of undertaking valuations. The Valuer adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The reliant parties accept that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation
Information Supplied by Others:	• The valuations are based on the information provided by the Instructing Party (Embassy Office Parks Management Services Private Limited). The same has been assumed to be correct and has been used for valuation exercise. Where it is stated in the report that another party has supplied information to the 'Consultants', this information is believed to be reliable but the 'Consultants' can accept no responsibility if this should prove not to be so
Future Matters:	• To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to the 'Consultants' at the date of this document. The 'Consultants' do not warrant that such statements are accurate or correct
Map and Plans:	• Any sketch, plan or map in this report is included to assist reader while visualizing the properties and assume no responsibility in connection with such matters
Site Details:	• Based on title due-diligence information provided by the Client, the Valuer understands that the subject properties are free from any encroachments and are available as on the date of the valuation
Property Title:	• For the purpose of this valuation exercise, the Valuer has relied on the Title Reports prepared by the Legal Counsels for each of the properties and has made no further enquiries with the relevant local authorities in this regard. The Valuer understands that the subject properties may have encumbrances, disputes and claims. The Valuer does not have the expertise or the preview to verify the veracity or quantify these encumbrances, disputes or claims. For the purpose of this valuation, the Valuer has assumed that the respective assets have title deeds that are clear and marketable.
Environmental Conditions:	• The Valuer has assumed that the subject properties are not contaminated and are not adversely affected by any existing or proposed environmental law and any processes which are carried out on the properties are regulated by environmental legislation and are properly licensed by the appropriate authorities
Town Planning:	• The current zoning of the subject properties has been adopted on the basis of review of various documents (title deeds) provided by the Instructing Party and the current land use maps for the subject region. The same has been considered for the purpose of this valuation exercise. Further, it has been assumed that the development on the subject properties adheres/ would adhere to the development regulations as prescribed by the relevant authorities. The Valuer has not made any enquiries with the relevant development authorities to validate the legality of the same.
Area:	• The total leasable area considered for the purpose of this valuation exercise is based on the rent rolls/ Architect certificate provided by the Instructing Party. It must be noted that the above information has been provided by the Client and has been verified based on the approvals/ layout plans/building plans provided by the Client. However, the Valuer has not undertaken additional verification and physical measurement for the purpose of this valuation exercise

Condition & Repair:	• In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
Not a Structural Survey:	• The Valuer states that this is a valuation report and not a structural survey
Legal:	• Unless specifically disclosed in the report, the Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property.
Others:	• Considering the unorganized nature of real estate markets in India, all comparable evidence (if any) provided in the valuation report has been limited to the basic details such as the area of asset, rate at which transacted, broad location, etc. other specific details would be provided only if the information is available in public domain
Other Assumptions:	• Please note that all the factual information such as tenants' leasable area, lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject properties is based on the appropriate relevant documents provided by the Client and the same has been adopted for the purpose of this valuation exercise. While we have reviewed a few lease deeds on a sample basis, the Consultants do not take any responsibility towards authenticity of the rent rolls provided by the Client. Any change in the above information will have an impact on the assessed value and in that case the Valuer will have to relook at the assessed value. The relevant information sources are represented in section 2.5 • All measurements, areas and ages quoted in our report are approximate • We are not advisors with respect to legal tax and regulatory matters for the transaction. No investigation of the respective Special Purpose Vehicles (SPVs) holding the assets' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature • Kindly note that we have undertaken a quarterly assessment of cash flows for the purpose of the valuations • Please note that the pending cost to complete highlighted in the individual asset pages (section 5) of this summary valuation report is indicative of pending cost towards base build works only and does not include the cost for refurbishments/ infrastructure upgrade works. The details pertaining to balance cost towards refurbishments/ infrastructure upgrade works have been presented in the detailed valuation report

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Material Valuation Uncertainty from Novel Coronavirus:	• The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, is causing heightened uncertainty in both local and global market conditions. Global financial markets have seen steep declines since late February largely on the back of the pandemic over concerns of trade disruptions and falling demand. Many countries globally have implemented strict travel restrictions and a range of quarantine and "social distancing" measures. Market activity is being impacted in most sectors. In this environment, we have considered / relooked at various performance parameters and have adopted heuristic/ careful interventions to our projected cashflows based on our view as of this date. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of these properties under frequent review. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

2 Valuation Approach & Methodology

2.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the subject property. In considering the value of the property, the Valuer has considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS).

2.2 Basis of Valuation

The valuations have been conducted in accordance with the RICS Valuation – Global Standards 2017 (Red Book Incorporating the IVSC International Valuation Standards issued in June 2017, effective from 1 July 2017) and is in compliance with the International Valuation Standards (IVS) and valuation standards as may be specified by the Institute of Chartered Accountants of India for valuation of real estate assets. The valuation exercise has been undertaken by appropriately qualified Valuer and would be aimed at assessing the Market Value of subject properties.

As per the Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS) the market value is defined as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

2.3 Approach and Methodology

The purpose of this valuation exercise is to estimate the Market Value (MV) of the subject properties. Market Value is derived through the following Methodologies:

2.3.1 Direct Comparison Approach

In **'Direct Comparison Approach'**, the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

2.3.2 Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

A. Direct Capitalization Method

Direct capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

B. Discounted Cash Flow Method

Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below:

B.1. Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants – typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, the Valuer has considered the impact of such sub/ above market leases on the valuation of the subject property.

2.4 Approach and Methodology Adopted

A large number of leases at the subject properties were executed at rentals prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, tenants looking at spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rentals may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or sub markets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved, the value of the office component in the subject properties has been assessed through the Discounted Cash Flow Method using Rental Reversion and the value of the Solar Park and hotel component at the respective properties have been valued using Discounted Cash Flow Method. Further, the following steps have been adopted as part of the valuation for the respective subject properties (assets).

<u>**Asset-specific Review:**</u>

1. As the first step to the valuation of the asset, the rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, top 10 tenants have been reviewed from their lease terms perspective. For anchor tenants, discounts on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.

2. Title documents and architect certificates were reviewed for validation of area details, ownership of the asset

<u>**Micro-market Review:**</u>

1. A detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and the optimal use of the respective properties vis-à-vis their surrounding sub-market, etc. Further, a primary and secondary research exercise has been carried out in the catchment areas for the respective assets to ascertain the transaction activity of commercial, retail and hospitality developments. This has been achieved through interactions with various market players such as developers, real estate brokers, key office tenants, hospitality occupiers, etc. Peers to the assets were identified in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market were analysed along with the historical leasing and re-leasing history within the asset over the last 2 – 3 years. This was undertaken to assess the applicable market rent (applicable rental for the micro-market where the asset is located) and applicable marginal rental (the Consultants' view on rental for the asset – used for leasing vacant spaces as well as upon releasing).

2. The Consultants also analysed the historical leasing within the asset for anchor tenants to identify the discount that is extended to such tenants at the time of fresh leasing or lease renewals. Every lease deed of large anchor tenants were analysed and applicable discount to marginal rental was estimated for individual leases. For other tenants occupying relatively large space within the properties, the Valuer assumed the leases to revert to marginal rentals (duly escalated from the date of valuation) post expiry of the lease, factoring appropriate re-leasing time.

Cash Flow Projections:

1. The cash flows for the operational and under-construction/proposed area were projected separately to arrive at their respective value conclusion.

2. The Valuer has utilized the EBIDTA to arrive at the value of the subject properties. The following steps were undertaken to arrive at the value for operational and under-construction/proposed area respectively.

   The Valuer has projected future cash flows from the property based on existing lease terms for the operational area till the expiry of the leases or re-negotiation (using the variance analysis), whichever is earlier. Post which, the lease terms have been aligned with marginal rentals. For vacant area and under-construction/proposed area, the Valuer has projected the marginal rent led cash flows factoring appropriate lease-up time frame for vacant/under-construction/proposed area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for assessment of terminal value). These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate.

   For each lease, the following steps have been undertaken to assess the rental over a 10-year time horizon:

   a. **Step 1:** Project the rentals for identified tenancies up to the period of lease expiry, lock-in expiry, first escalation, second escalation, etc. whichever is applicable. In the event of unleased spaces, market-led rentals to be adopted with suitable lease-up time

   b. **Step 2:** Generating a marginal rental stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step

   c. **Step 3:** In the event the escalated contracted rental is above the marginal rent (viz. by 10% for Bengaluru/ Mumbai assets & 15% for Pune/ Noida assets), the contracted terms are discarded, and the terms are reverted to market. In the event the escalated contracted rent is below the marginal rent by the threshold highlighted above, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental for respective leases until lease expiry as well as post expiry

   d. **Step 4:** Computing the monthly income based on rentals projected as part of Step 3 and translating the same to a quarterly income (for the next 10 years and 11th year – considered for calculation of terminal value)

3. Adjustments for other revenues and recurring operational expenses, fit-out income (if any – projected till first term expiry and discounted to present day – the same has been considered below the NOI and does not get capitalized) and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to factor potential rent free terms as well as outflows towards brokerage. For all assets, the Valuer has looked at the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset. For Embassy Manyata, Embassy GolfLinks and Embassy TechZone, common area maintenance is managed by an external agency and accordingly, no CAM margin has been considered during the course of operations. However, for assessing the exit cash flows, the Valuer has assumed that on a notional exit, market-led CAM charges and hence CAM margin would be accruable to a potential buyer and the same has been adopted during capitalization.

4. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The

quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset through this approach.

5. For the hospitality component, future cash flows from the property, were projected based on our assessment of ARRs and Occupancy. Adjustments for other revenues and recurring operational expenses, have been adopted in-line with prevalent market dynamics. The net income on quarterly basis have been projected over the next 10 years and the 1 year forward EBITDA (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net income over the next 10 years along with the terminal value during the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the asset.

2.5 Information Sources for Valuation

Property related information referred to for the valuation exercise has been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

2.6 Scope of Services for Value Assessment Service Provider

CBRE has been engaged by the Instructing Party to provide value assessment services and accordingly, would be responsible for the below scope as part of this exercise.

- Provide market intelligence to the Valuer on the following aspects:
  - Economic and Investment Overview
  - India Real Estate Overview
    - IT/ ITES Industry Dynamics
    - Key Office Markets
    - Outlook
  - For cities housing Embassy REIT Assets
    - Key Office Markets
    - General market practices
    - Demand Supply for Key Office Markets & Rental Trends
    - Outlook
- Review rent roll and forecast cash flows from the respective assets for the Valuer to independently review and work towards assessing the valuation of each Asset

Official Signatory for Value Assessment Service Provider:

Name: Vamshi KK Nakirekanti | MRICS | FIE | FIV | CEng (India)
Designation: Executive Director, Head – Valuation and Advisory Services, India & South East Asia
Firm: CBRE South Asia Pvt Ltd

3 Nature of the Interest of the Embassy REIT

The table below highlights the nature of interest of the Embassy REIT:

Property	Interest Valued	Interest Embassy REIT holds	Remainder of term in case of Leasehold (approx.)
Embassy Manyata, Bengaluru	Freehold*	100.0%	NA
Express Towers, Mumbai	Freehold	100.0%	NA
Embassy 247, Mumbai	Freehold	100.0%	NA
First International Financial Center, Mumbai	Leasehold	100.0%	68 Years
Embassy TechZone, Pune	Leasehold	100.0%	80 Years
Embassy Quadron, Pune	Leasehold	100.0%	80 Years
Embassy Qubix, Pune	Freehold	100.0%	NA
Embassy Oxygen, Noida	Leasehold	100.0%	77 Years
Embassy Galaxy, Noida	Leasehold	100.0%	76 Years
Embassy GolfLinks, Bengaluru	Freehold	50.0%	NA
Embassy One, Bengaluru	Freehold	100.0%	NA
Hilton at GolfLinks, Bengaluru	Freehold	100.0%	NA
Embassy Energy, Bellary District, Karnataka	Freehold	100.0%	NA

**Excluding the M3 block which is being developed on a leasehold land parcel (6.64 Acres)*

4 Value Summary

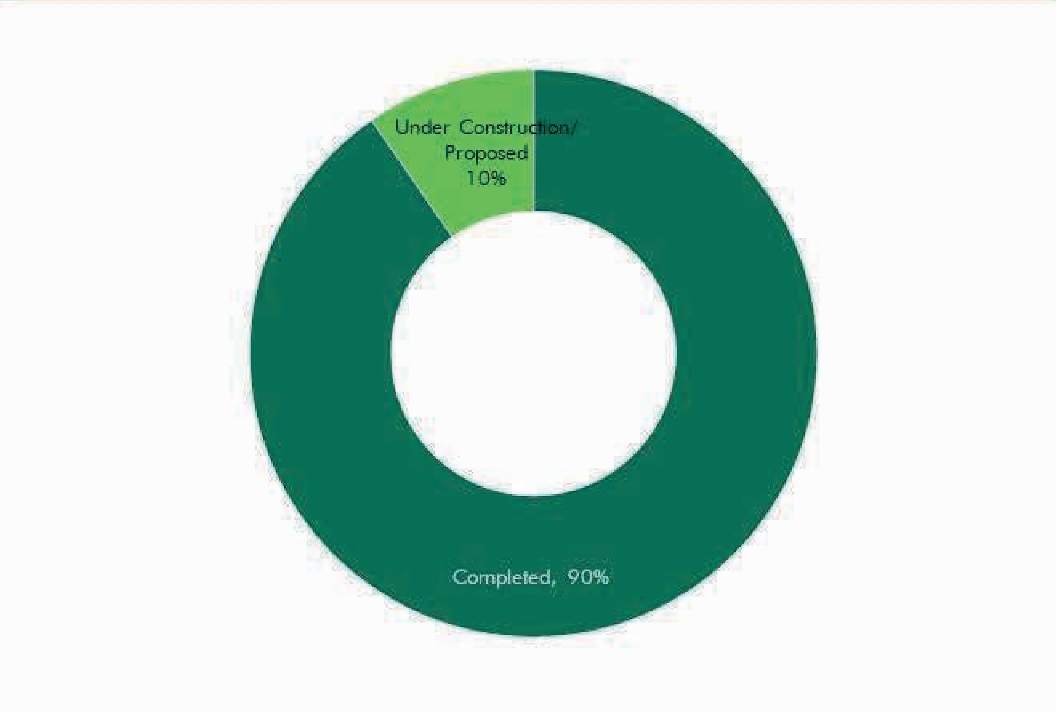
The following table highlights the summary of the market value of each property which is a part of the said Embassy REIT portfolio as on March 31, 2020:

Property	Asset Type	Leasable Area	Market Value (INR mn)		
			Complete d	Under construction (UC) / Proposed	Total
Embassy Manyata, Bengaluru	Mixed-use (Office (IT/ ITeS SEZ/ Non-SEZ^), Hotel, Retail, Convention Centre)	Completed office – 11.8 msf Proposed/ UC* office - 3.1 msf UC Hotel (5 star) - 266 keys UC Hotel (3 star) - 353 keys	129,952	23,954	**153,906**
Express Towers, Mumbai	Office (Non-SEZ)	Completed office - 0.5 msf	17,866	-	**17,866**
Embassy 247, Mumbai	Office (Non-SEZ)	Completed office - 1.2 msf	16,624	-	**16,624**
First International Financial Centre, Mumbai	Office (Non-SEZ)	Completed office - 0.4 msf	13,911	-	**13,911**
Embassy TechZone, Pune	Office (IT/ ITeS SEZ)	Completed office - 2.2 msf Proposed/ UC office - 3.3 msf	14,929	6,103	**21,032**
Embassy Quadron, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.9 msf	13,838	-	**13,838**
Embassy Qubix, Pune	Office (IT/ ITeS SEZ)	Completed office - 1.5 msf	10,085	-	**10,085**
Embassy Oxygen, Noida	Office (IT/ ITeS SEZ)	Completed office - 2.5 msf Proposed/ UC office - 0.7 msf	19,492	1,924	**21,416**
Embassy Galaxy, Noida	Office (Non-SEZ)	Completed office - 1.4 msf	8,696	-	**8,696**
Embassy One, Bengaluru	Mixed-use (Office (Non-SEZ), Hotel, Retail)	Office & Retail - 0.3 msf Hotel (5 star) - 230 Keys	12,570	-	**12,570**
Hilton at Embassy GolfLinks, Bengaluru	Hotel	Hotel (5 star) - 247 Keys	4,436	-	**4,436**
Embassy Energy, Bellary District, Karnataka	Solar park	Installed capacity of 130 MW D C (100 MW AC)	10,289	-	**10,289**
Total – 100% owned assets			**272,688**	**31,981**	**304,669**
Embassy GolfLinks, Bengaluru	Office (Non-SEZ)	Completed office - 2.7 msf	27,014	-	**27,014[1]**
Total			**299,702**	**31,981**	**331,683**

[1] Note: Indicative of Embassy REIT's economic interest in the asset, viz. 50%

**UC -under construction, ^SEZ – Special Economic Zone*

Market value break-up of assets valued for the Embassy REIT



Assumptions, Disclaimers, Limitations & Qualifications: This summary valuation report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use of the parties as mentioned in Section 1.2 of this summary report.

Prepared by: Mr. Manish Gupta, Partner, iVAS Partners

Official Signatory:

Name: Mr. Manish Gupta
Designation: Partner, iVAS Partners
Valuer Registration Number: IBBI/RV-E/02/2020/112

5 Assets

5.1 Embassy Manyata

Property Name: Embassy Manyata is a commercial office development located along Outer Ring Road, Nagavara, Bengaluru, Karnataka

Property Address: Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka

Land Area: Based on review of the title report (for Manyata Promoters Pvt Ltd and M3 Block respectively), the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 121.76 acres

Brief Description: The subject property is the second largest commercial office asset in India (in terms of scale), largest in Bengaluru and is a landmark in North Bengaluru. The property is accessible through the Nagavara Outer Ring Road emanating from Hebbal. Further, the subject development is strategically located in proximity to micro-markets of Thanisandra & Hennur Road which are amongst the fastest developing vectors in North Bengaluru.

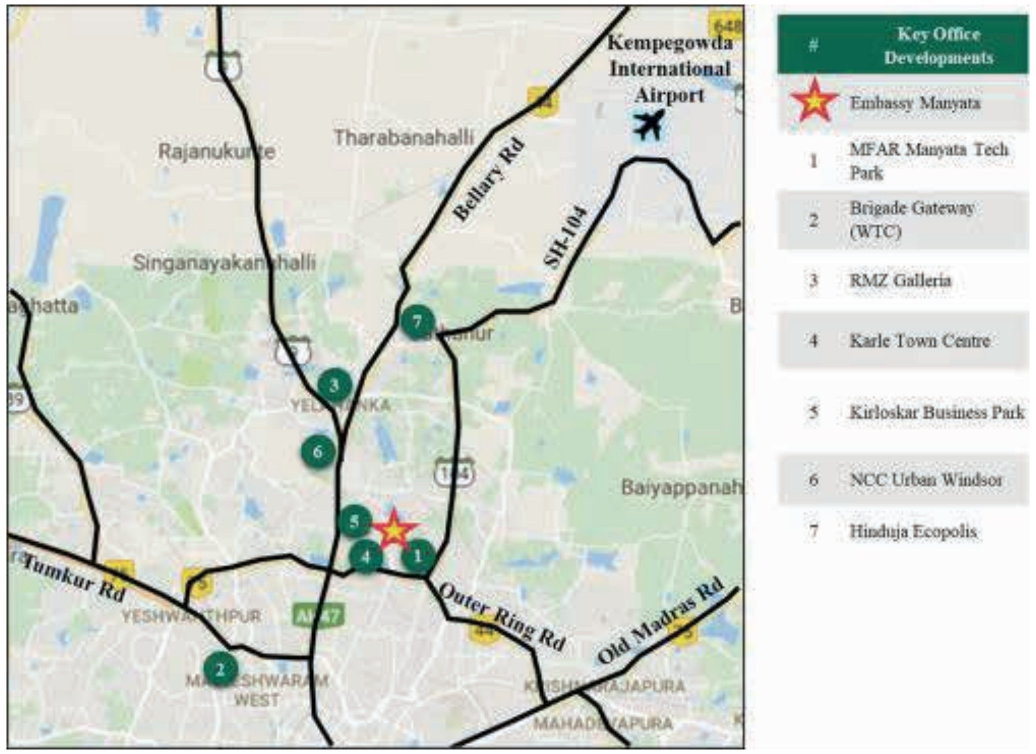
The subject property is located in close proximity to the Nagavara Outer Ring Road, which connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer Ring Road, Old Madras Road, etc. Further, it is located at a distance of 1-2 km from Nagavara Junction, 3-4 km from Hebbal Junction, 7-8 km from Yelahanka Junction, 11-14 km from MG Road (CBD) and 29-31 km from Kempegowda International Airport

Statement of Assets (sf): Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 11.7 msf of completed leasable area out of which occupancy is approximately 97.7% (including committed occupancy) as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Block	Total Area (sf)	Operational area (in sf)	Under Construction area (in sf)	Proposed Development area (in sf)
SEZ Area	10,650,357	8,347,511	1,594,846	708,000
Non – SEZ Area	4,111,213	3,403,663	-	707,550
Retail	58,083	-	58,083	
Total – Office/Retail	**14,819,653**	**11,751,174**	**1,652,929**	**1,415,550**
Hotel (including convention centre)	619 keys (Hotel - 722,678 Convention – 58,000)	-	619 keys (Hotel - 722,678 Convention – 58,000)	

Source: Architect certificates, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

Location Map



Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	17,089*
Proposed project completion timelines (all blocks)	Quarter, Year	Q3, FY 2025
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2025
In-place rent	INR psf/mth	60
Marginal rent – IT office component	INR psf/mth	90
Marginal rent – Non IT office component	INR psf/mth	104
Marginal rent – Retail component	INR psf/mth	117
Parking rent (Effective)	INR / bay/mth	3,750
ARR – 5 star hotel	INR / room / day	8,000
Stabilized Occupancy – 5 star hotel	%	70%
ARR – 3 star hotel	INR / room / day	5,500
Stabilized Occupancy – 3 star hotel	%	70%
Other financial assumptions		
Cap rate – commercial components	%	8.00%
Cap rate – hotel components	%	7.14% (viz. an EV-EBITDA multiple of 14)
WACC rate (operational)	%	12.03%
WACC rate (under-construction/proposed)	%	13.00%
WACC rate (hotel)	%	13.60%

** Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works*

Market Value: **INR 153,906 Mn**

5.2 Express Towers

Property Name: ‘Express Towers’ is an operational office asset located along Barrister Rajni Patel Marg, Nariman Point, Mumbai

Property Address: Barrister Rajni Patel Marg, Nariman Point, Mumbai

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.46 acres

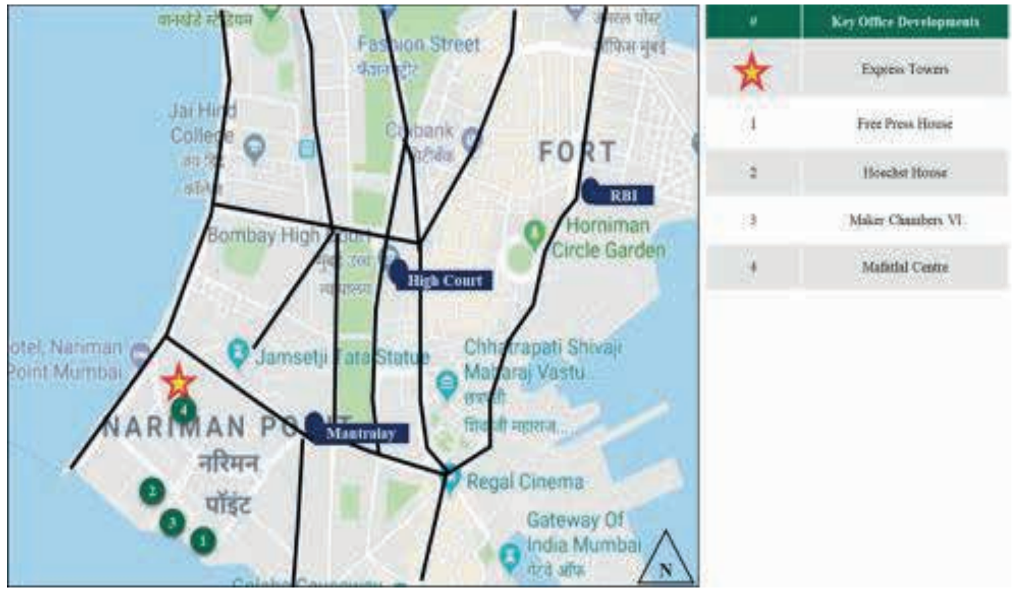
Brief Description: The subject property ‘Express Towers’ is an office asset situated in Nariman Point. The subject property is located opposite to the Oberoi Trident hotel. The G+25 floor storey structure was constructed in the late 1960s and has been refurbished in the past few years. Nariman Point is located at the southernmost tip of the Mumbai City, at a distance of approximately 1 - 2 km from the Churchgate Railway Station; approximately 25 - 28 km from the Domestic / International City Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect’s Certificate, etc.), the subject property is an operational office asset with approximately 472,377 sf of completed leasable area, which is approximately 93.5% occupied as on the date of valuation. Also, the top 2 floors viz the 24th and 25th floor are not owned by Indian Express Newspapers (Mumbai) Pvt. Ltd (IENPL). Table below highlights the leasable area details for the subject development under the ownership of IENPL.

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	472,377	93.5%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	**472,377**	

Source: Architect certificate, Rent roll, lease deeds;

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2021
In-place rent	INR psf/mth	256^
Marginal Rent – Commercial office component	INR psf/mth	270
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate – commercial components	%	7.50%
WACC rate (operational)	%	12.03%

^denotes the weighted average rentals for leased office/restaurant spaces

Market Value: **INR 17,866 Mn**

5.3 Embassy 247

Property Name: ‘Embassy 247’ is an operational office asset located along LBS Road, Gandhinagar, Vikhroli West, Mumbai

Property Address: LBS Marg, Vikhroli (W), Mumbai, Maharashtra.

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 7.27 acres

Brief Description: The subject property, “Embassy 247”, is an operational office asset located along LBS Road in Gandhinagar, Vikhroli West, Mumbai. The development is divided in three towers viz. A, B & C. The towers A & C are identical to each other and have an elevation of 2 Basement + Ground + 11 upper floors. Tower B situated in between Tower A & C has an elevation of 2 Basement + Ground + 14 upper floors. Based on the site visit, it is understood that all the three towers are internally connected from basement to the 3rd floor and floors 10 and 11. The entire development has a total completed leasable area of approximately 1,189,544 sf. The subject property is located in proximity to established residential and commercial locations within the city such as Bhandup, Kanjurmarg, Ghatkopar etc.

The subject property is located at a distance of approximately 28-30 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 11-12 km from Domestic Airport, approximately 10-12 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

Statement of Assets (sf): Based on information provided by the Client, the total completed leasable area considered for the purpose of this valuation is 1,189,544 sf. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	1,189,544	93.2%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	**1,189,544**	

Source: Architect certificate, Rent roll, lease deeds;

Location Map

Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2021
In-place rent	INR psf/mth	99^
Marginal rent – Commercial office component	INR psf/mth	110*
Marginal rent – Retail component	INR psf/mth	78
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate (operational)	%	12.03%

*^denotes the weighted average rentals for leased office/retail and food-court spaces; * Inclusive of car park rent*

Market Value: **INR 16,624 Mn**

5.4 First International Finance Centre (FIFC)

Property Name: First International Finance Centre is a commercial office development located on Bandra Kurla Complex Road, Bandra Kurla Complex, Mumbai, Maharashtra

Property Address: G-Block, Bandra Kurla Complex road, Bandra Kurla Complex, Mumbai, Maharashtra

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 1.99 Acres

Brief Description: The subject property, "First International Finance Centre", is an operational office asset located along BKC Road in G Block, Bandra Kurla Complex, Mumbai. This office asset has a total leasable area of approximately 658,390 sf. The development is operated as a condominium and is co-owned by two entities i.e., a leading bank and the Client. Based on review of the title report for the subject property, the Client has an ownership of approximately 360,947 sf of the total area and the same has been considered for the purpose for this valuation exercise (this area will be considered as the subject property hereinafter). The subject property is located in proximity to locations such as Kurla, Bandra, Santacruz etc., which are considered as established residential and commercial locations within the city.

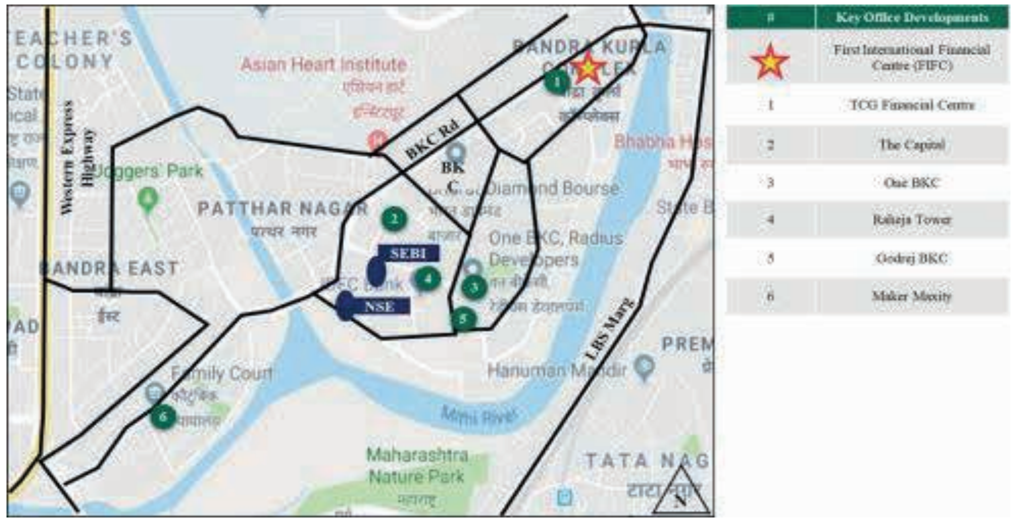
The subject property is located at a distance of approximately 20-22 km from the Central Business District of Mumbai (viz. Nariman Point), approximately 6-8 km from Domestic Airport, approximately 8-9 km from the Chhatrapati Shivaji International Airport Terminal, Mumbai etc.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, lease deeds, etc.), the subject property is an operational office asset with approximately 360,947 sf of completed leasable area out of which approximately 77.8% is leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	360,947	77.8%
Under Construction Blocks	-	NA
Proposed Blocks	-	NA
Total	**360,947**	

Source: Architect certificate, Rent roll, lease deeds;

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2022
In-place rent	INR psf/mth	297^
Marginal rent – Office Component	INR psf/mth	285
Marginal rent – Retail	INR psf/mth	314
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate – commercial components	%	7.75%
WACC rate (operational)	%	12.03%

^denotes the weighted average rentals for leased office/retail spaces

Market Value: **INR 13,911 Mn**

5.5 Embassy TechZone

Property Name: 'Embassy TechZone' is an operational office asset located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji, Taluka Mulshi, District Pune, Maharashtra

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 67.45 acres

Brief Description: 'Embassy TechZone', has been conceptualized as an office asset spread across a total land area of approximately 67.45 acres. The property is an office asset leased to various tenants and is also well equipped with number of facilities and amenities like food court, amphitheater, intra park shuttles, gymnasium, multilevel car parking, sports ground, etc. The area details of the property are as follows:

Particulars	*Leasable area (in sf)*
Completed Leasable Area	2,160,055
Under Construction/ Proposed Development Leasable Area	3,312,891
Total	**5,472,946**

Source: Client Inputs

'Embassy TechZone' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy TechZone' is located at a distance of approximately 5 – 6 km from National Highway 48 (Connecting Mumbai – Pune – Bengaluru), 20 – 21 km from Pune CBD (Peth areas), 20 – 21 km from Pune Railway Station and approximately 26 – 27 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, lease deeds, Architect's Certificate, etc.), the Valuer understands that 'Embassy TechZone' is an operational office asset with approximately 2.2 msf of completed leasable area out of which committed occupancy is approximately 93.9% as on the date of valuation. Further, approximately 0.88 msf is currently under construction and approx. 2.43 mn sft is under planning stage. Table below highlights the leasable area for individual blocks that form part of the subject development:

Component	Completed Leasable area (in sf)	Under Construction area (in sf)	Proposed Development area (in sf)
SEZ Office	2,151,630	880,615	2,392,587
Other ~ Food court, training centre, etc.	8,425	-	39,689
Total	**2,160,055**	**880,615**	**2,432,276**

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Location Map

Key Assumptions

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete (overall)	INR mn	13,692*
Proposed project completion timelines	Year	FY 2026
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2027
In-place rent	INR psf/mth	50
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.03%
WACC rate (under-construction/proposed)	%	13.00%

** Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works*

Market Value: **INR 21,032 Mn**

5.6 Embassy Quadron

Property Name: 'Embassy Quadron' is a Commercial Office Business Park located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 28, Hinjewadi Phase II, Rajiv Gandhi Infotech Park, Pune, Maharashtra, 411057

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.52 acres

Brief Description: 'Embassy Quadron', has been conceptualized as an IT SEZ office development leased to various domestic and multi-national IT/ ITeS tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q café food court, grocery stores, ATMs, indoor sports zone, gymnasium, crèche, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2008 to 2011.

The development currently includes four operational buildings (Q1 to Q4).

Further, 'Embassy Quadron' is strategically located in Hinjewadi which is a prominent technology hub of Pune city. 'Embassy Quadron' is located at a distance of approximately 7 – 8 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 22 – 23 km from Pune CBD (Peth areas), 22 – 23 km from Pune Railway Station and approximately 26 - 27 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the Valuer understands that 'Embassy Quadron' is an operational SEZ office asset with approximately 1.9 msf of completed leasable area out of which committed occupancy is approximately 79.0% as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Components	*Completed leasable area (in sf)*
Office	1,843,236
Retail	22,887
Food Court	28,551
Total	**1,894,674**

Source: Rent roll, lease deeds, architect certificate provided by the Client;

Location Map

Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2022
In-place rent	INR psf/mth	43
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.03%

Market Value: **INR 13,838 Mn**

5.7 Embassy Qubix

Property Name: 'Embassy Qubix' is a Commercial Office Business Park located in Phase 1, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No.2, Blue Ridge Township, Near Rajiv Gandhi Infotech Park – Phase I, Hinjewadi, Pune, Maharashtra 411057

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 25.16 acres

Brief Description: "Embassy Qubix", has been conceptualized as an IT SEZ office development leased to various domestic and multi-national technology tenants. The property is well equipped with number of facilities and amenities like enhanced landscapes, Q Court Courtyard, grocery stores, ATMs, two-wheeler and four-wheeler car parking spaces, etc. The property has been constructed in phased manner between 2010 to 2012.

The development currently includes six operational buildings (IT 1 to IT 6).

Further, Embassy Qubix is strategically located in Hinjewadi which is a prominent technology hub of Pune city. Embassy Qubix is located at a distance of approximately 3 – 4 km from National Highway 48 (connecting Mumbai – Pune – Bengaluru), 18 – 19 km from Pune CBD (Peth areas), 19 – 20 km from Pune Railway Station and approximately 23 - 24 km from Pune International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the Valuer understands that "Embassy Qubix" is an operational SEZ office asset with approximately 1.5 msf of completed leasable area, which is 99.8% occupied as on the date of valuation. Table below highlights the leasable area for individual blocks that form part of the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	1,450,494	99.8%
Under Construction Blocks	-	NA
Proposed Development	-	NA
Total	**1,450,494**	

Source: Rent roll, lease deeds, architect certificate;

Location Map

Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2021
In-place rent	INR psf/mth	39^
Marginal rent – IT SEZ office component	INR psf/mth	48
Parking rent (Effective)	INR / bay/mth	1,500
Other financial assumptions		
Cap rate – commercial components	%	8.25%
WACC rate (operational)	%	12.03%

^denotes the weighted average rentals for leased office/retail spaces

Market Value: **INR 10,085 Mn**

5.8 Embassy Oxygen

Property Name: 'Embassy Oxygen' is an operational IT/ ITeS SEZ office development located at Sector 144, Noida, Uttar Pradesh

Property Address: Plot No. – 07, Sector 144, Noida, Uttar Pradesh, India

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 24.83 Acres

Brief Description: The subject property "Embassy Oxygen" is a partly operational office asset, leased to technology occupiers. The subject property is located at Sector 144, Noida in proximity to Noida – Greater Noida Expressway, which is an emerging commercial / residential vector of Noida. The property is a two side open plot with accessibility via approximately 45 m and 24 m wide roads. The subject property lies in proximity to various office assets such as Candor TechSpace, Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Express Trade Towers 2, etc.

The subject property is located in close proximity to Noida – Greater Noida Expressway, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Greater Noida, etc. Further, it is located at a distance of approximately 16 – 17 km from the established commercial hub of Noida viz. Sector-18, approximately 16 – 17 km from DND Flyway and approximately 38 – 39 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational SEZ office asset with approximately 2.5 msf of completed leasable area, out of which committed occupancy is approximately 84.0% as on the date of valuation. Table below highlights the leasable area for operational and under construction/ proposed blocks that form part of the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	2,517,307	84.0%
Under Construction Blocks	NA	NA
Proposed Development	737,000	NA
Total	**3,254,307**	

Source: Architect Certificate, Rent roll, lease deeds provided by the Client

Location Map:

Key Assumptions:

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete (overall)	INR mn	3,273*
Proposed project completion timelines (overall)	Quarter, Year	Q2, FY 2023
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2023
In-place rent	INR psf/mth	48
Marginal rent – IT SEZ office component	INR psf/mth	54
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	12.03%
WACC rate (under-construction/proposed)	%	13.00%

** Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works*

Market Value: **INR 21,416 Mn**

5.9 Embassy Galaxy

Property Name: 'Embassy Galaxy' is an operational IT/ ITeS office development located at Sector 62, Noida, Uttar Pradesh

Property Address: A-44 & 45, Sector 62, Noida, Uttar Pradesh, India – 201309

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 9.88 Acres

Brief Description: The subject property "Embassy Galaxy" is an operational office asset, leased to technology occupiers. The subject property is located at Sector 62, Noida, which is an established commercial vector of Noida. The property is accessible by an internal road of Sector 62 (approximately 45 m wide). The subject property lies in proximity to various office assets such as 3C Green Boulevard, Stellar IT Park, Logix Cyber Park, Candor Techspace, etc.

The subject property is located in close proximity to National Highway (NH) – 24, which makes it easily accessible from other regions of NCR (National Capital Region) such as Delhi, Ghaziabad, etc. Further, it is located at a distance of approximately 9 – 10 km from the established commercial hub of Noida viz. Sector-18, approximately 10 – 11 km from DND Flyway and approximately 31 – 32 km from Indira Gandhi International Airport, Delhi

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 1.4 msf of completed leasable area, which is approximately 98.9% leased as on the date of valuation. Table below highlights the leasable area details for the subject development:

Particular	Leasable Area (sf)	Committed Occupancy (%)
Completed Blocks	1,357,029	98.9%
Total	**1,357,029**	**98.9%**

Source: Architect certificate, Rent roll, lease deeds provided by the Client;

Location Map:

Key Assumptions:

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	FY 2021
In-place rent	INR psf/mth	34
Marginal rent – IT office component	INR psf/mth	45
Parking rent (Effective)	INR / bay/mth	-
Other financial assumptions		
Cap rate	%	8.25%
WACC rate (operational)	%	12.03%

Market Value: **INR 8,696 Mn**

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5.10 Embassy GolfLinks

Property Name: Embassy GolfLinks is an office asset located along Intermediate Ring Road, Bengaluru, Karnataka

Property Address: Challaghatta Village, Varthur Hobli, Mahadevapura, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 37.11 acres.

Brief Description: The subject property, "Embassy GolfLinks", is an operational office asset located along Intermediate Ring Road, Bengaluru. This office asset has a total leasable area of approximately 4.5 msf. The interest being valued corresponds to approximately 2.7 msf of office area which forms part of the economic interest of the Client. The larger development also includes an operational hotel (Hilton at Embassy GolfLinks). The immediate surroundings of the subject property comprises of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association's operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city.

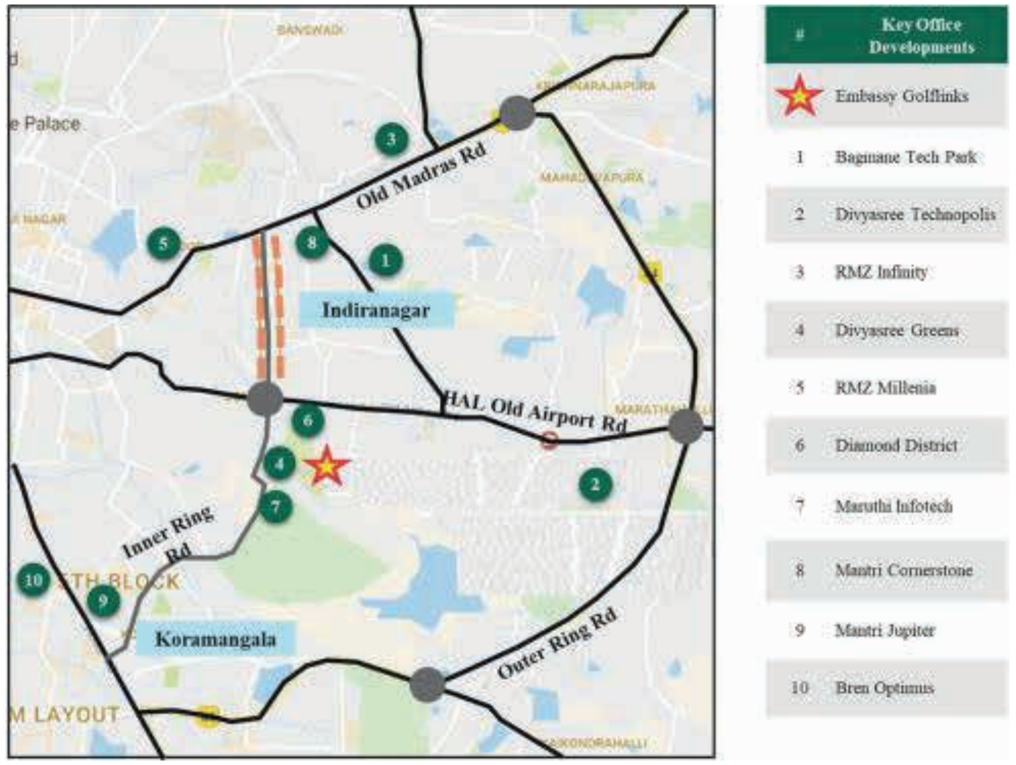
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

Statement of Assets (sf): Based on review of various documents (such as rent roll, Architect's Certificate, etc.), the subject property is an operational office asset with approximately 2.7 msf of completed leasable area and is 98.3% occupied as on the date of valuation. Table below highlights the leasable area for subject property that form part of the subject development:

Block	Leasable Area (sf)
Office Area (Operational)	2,737,442 (Occupancy – 98.3%)

Source: Source: Rent roll, lease deeds, architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
In-place rent	INR psf pm	115
Marginal rent – office component	INR psf pm	148
Parking rent (Effective)	INR / bay/mth	4,500
Other financial assumptions		
Cap rate – commercial components	%	8.00%
WACC rate	%	12.03%

Market Value: **INR 54,027 Mn**

Note:

1. The valuation presented is for 100% interest in the asset. However, based on inputs provided by the Client, the REIT hold 50% of the interests in the asset (viz. INR 27,014 Mn)

2. The above valuation excludes valuation of Hilton at Embassy GolfLinks. The valuation of Hilton at Embassy GolfLinks is presented in section 4.12

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5.11 Embassy One

Property Name: ‘Embassy One’ is a premium mixed-used development (High-end office, retail and hospitality components) located along, Bellary Road, Ganga Nagar, Bengaluru, Karnataka

Property Address: Bellary Road, Ganga Nagar, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understand that the total land area of the subject property under the ownership of the Client is approximately 5.62 acres (which includes residential component). The interest being valued as part of this assessment is an undivided share of 3.19 acres (for the office, retail and hospitality components).

Brief Description: The subject property is a premium mixed-used development comprising of commercial, retail and hospitality components. Subject property is located in a premium location in close proximity to the CBD, approximately 6-7 km from MG Road. The stretch between the CBD and Mekhri Circle is recognized as a premium residential and hospitality hub of Bengaluru. Subject location lies in close proximity to premium residential colonies of Sheshadripuram, Sadashiva Nagar, Dollars colony, Fraser Town, Jayamahal, etc., which house affluent population of businessmen community, ministers, etc. Further, the location is considered an established hub for premium hotels, housing prominent 5 star hotels such as Windsor Manor, Lalit Ashok, & Taj Westend. As per information provided by the client, the Valuer understands that 5.5% of total area is leased as of date of valuation.

The subject property’s location along the initial stretch of Bellary Road further adds to the attractiveness of the development. Bellary Road connects the city centre to the airport and also provides connectivity to all major hubs within Bengaluru City. Further, the subject property’s proximity to the Hebbal Outer Ring Road, connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer ring road, Old Madras road, etc. Further, it is located at a distance of 1-2 km from Mekhri Circle, 3-4 km from Hebbal ORR Junction, 6-7 km from MG Road, 27-28 K from Bengaluru International Airport.

Statement of Assets (sf): Table below highlights the leasable area for individual blocks that form part of the subject development:

Block	No of Keys/ Leasable Area (sf)
Office	194,948
Retail	55,148
Hotel (Four Seasons at Embassy One)	230 keys
Total	**230 keys / 250,096**

Source: Architect certificate provided by the Client

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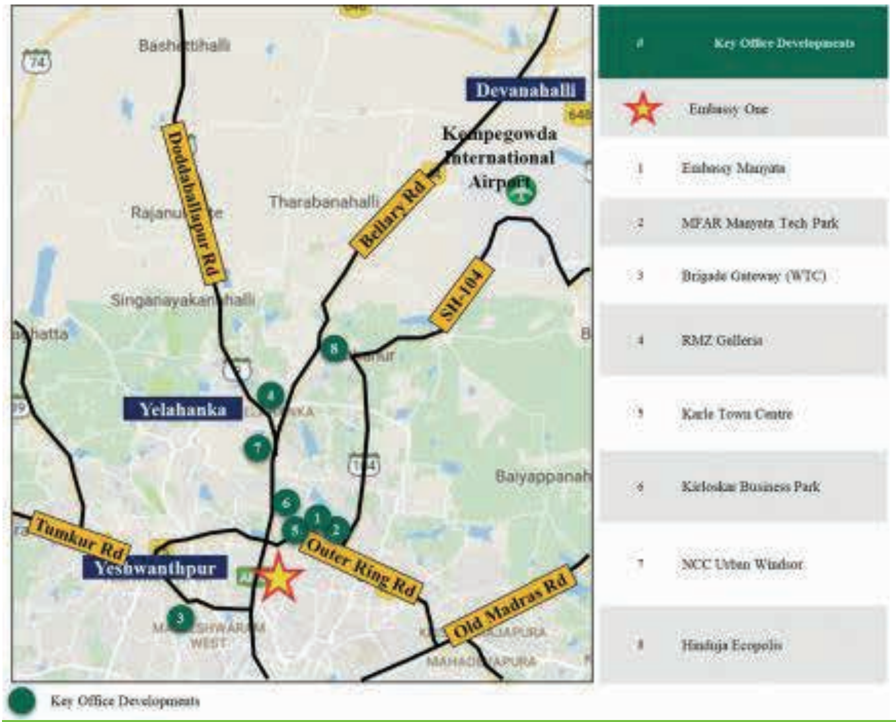
Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
Lease completion	Year	Q4, FY 2023
In-place rent	INR psf/mth	156
Marginal rent – Non IT office component	INR psf/mth	147*
Marginal rent – Retail component	INR psf/mth	170
Parking rent (Effective)	INR / bay/mth	-
ARR – Four Seasons at Embassy One	INR / room / day	10,500
Stabilized Occupancy – Four Seasons at Embassy One	%	70%
Other financial assumptions		
Cap rate – commercial components	%	7.50%
Cap rate – hotel components	%	7.14% (viz. an EV-EBITDA multiple of 14)
WACC rate (operational)	%	12.03%
WACC rate (hotel)	%	12.63%

** Inclusive of car park rent*

Market Value: **INR 12,570 Mn**

5.12 Hilton at Embassy GolfLinks

Property Name: Hilton at Embassy GolfLinks is an operational hospitality development as part of a larger office asset 'Embassy GolfLinks' located along Intermediate Ring Road, Bengaluru, Karnataka

Property Address: Challaghatta Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on review of the title report, the Valuer understands that the total land area of the subject property under the ownership of the Client is approximately 3.58 acres

Brief Description: The subject property, Hilton at Embassy GolfLinks, is an operational hospitality development located along Intermediate Ring Road, Bengaluru. The interest being valued corresponds to a developed area of 448,156 sf of hotel with 247 keys (operational since March 2014 and operated by Hilton). The immediate surroundings of the subject property comprise of large aggregates of land owned by the Defence Services of the Country Karnataka Golf Association's operational golf course, Diamond District, DivyaSree Greens, Maruthi Infotech Park, etc. In addition, the subject property is located in proximity to locations such as Indiranagar, Koramangala etc., which are considered as established residential and commercial locations within the city. In addition to the subject property, the micro-market also comprises of other hotels such as The Leela, Taj Vivanta, Hyatt, The Paul, Ramada Encore, etc.

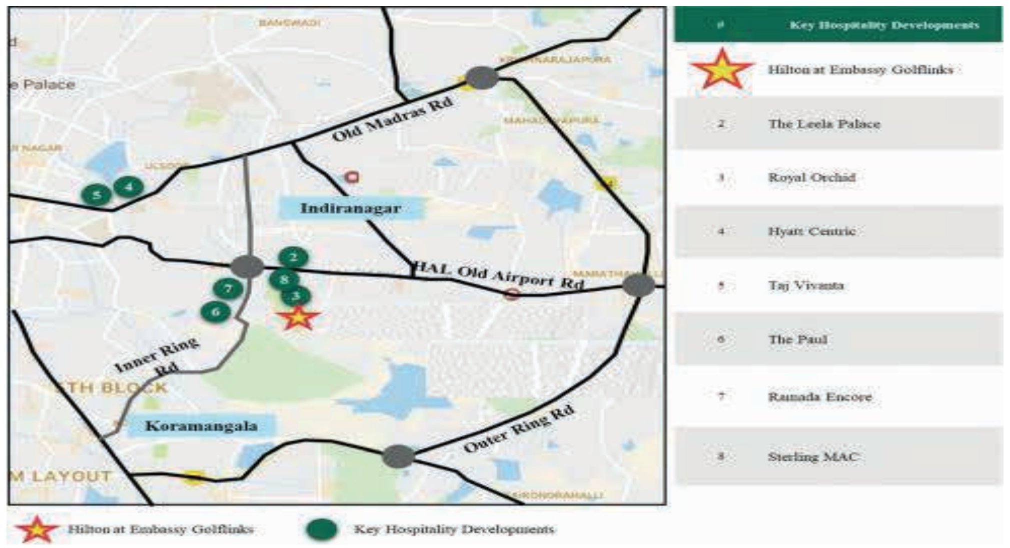
The subject property is located at a distance of approximately <1 km from the Domlur flyover, 1 – 2 km from Indiranagar, 2-3 km from Koramangala, 7-8 km from MG Road and approximately 43 - 45 km from Bengaluru International Airport.

Statement of Assets (sf): Based on the information provided by the client, the subject property is an operational hospitality development. Table below highlights the total operational area of the subject development:

Property	No of Keys
Hotel (Hilton at Embassy GolfLinks)	247 keys (developed area - 448,156 sf)

Source: Architect certificate provided by the Client

Location Map



Key Assumptions

Particulars	Unit	Details
Revenue assumptions (as on March 31, 2020)		
ARR – Hilton at Embassy GolfLinks	INR / room / day	9,000
Stabilized Occupancy – Hilton at Embassy GolfLinks	%	72
Other financial assumptions		
Cap rate – hotel components	%	7.14% (viz. an EV-EBITDA multiple of 14)
WACC rate	%	12.63%

Market Value: **INR 4,436 Mn**

5.13 Embassy Energy

Property Name: 'Embassy Energy' is a Solar PV electricity generation facility spread across Villages Ittigi, Mooregeri and Nellukudure, Bellary District, Karnataka

Property Address: Villages Ittigi and Mooregeri in Huvin Hadagali Taluka and Nellukudure in Hagri Bommanhalli Taluka, Bellary District, Karnataka

Land Area: The Valuer understands from the Client, title reports, site plans, letter highlighting Commercial Operations Date and site visit, that the park is spread over 465.77 Acres of which the land aggregation is in place by way of sale deed, Agreement to Sell (ATS) or General Power of Attorney (GPA), etc. The Valuer understands that currently only about 254.47 Acres is owned by the company by way of Sale Deed whereas the rest is under various stages of sale and conversion – below is a table which highlights the current status of the Land Aggregation. Further, the Valuer understands that physical possession of the land is with EEPL and/or its contractors and sub-contractors and that the solar park has been constructed on most of the land. It is assumed that the sale and conversion would be successful and any adverse impact has not been factored in the valuation

Particular	Area (acres)
Total extent of identified Land	465.77
Registered ATS and POA completed	465.77
Applied for approval u/s 109	464.51
Extent of land approved/recommended by DC u/s 109	442.54
Final approval received u/s 109	442.54
Sale Deed executed favouring EEPL	254.47

Brief Description: The subject property is an operational solar park under the ownership of **'Embassy-Energy Private Limited (EEPL)'**. The subject site is spread across three villages namely Ittigi, Mooregeri and Nellukudure in Bellary District. The subject location is situated at a distance of more than 300 km from Bengaluru City and is currently a nascent vector in terms of real estate activity. Being a peripheral location, the region is predominantly characterized by the presence of agricultural land parcels (with black cotton soil). However, a few solar parks are currently operational/ proposed at the subject location by prominent players such as Adani, ReNew, etc. The accessibility of the subject region is via State Highway – 45 (SH – 45).

On account of being accessible through the State Highway – 45 (SH – 45), the subject property enjoys good connectivity to neighbouring towns and villages. Further, it is located at a distance of approximately 3 – 4 km from the 220 KV Sub-station (Ittigi), approximately 3 – 4 km from Ittigi Village Centre, approximately 65 – 70 km from Davangere and approximately 300 – 310 km from MG Road (Bengaluru).

Based on review of power purchase agreements between EEPL and the power purchasers, the Valuer understands that the solar plant would supply electricity to the existing office parks / hotels of Embassy in Bengaluru. In lieu of the same, it is understood that EEPL has already signed power purchase agreements (PPAs) for 25 years with various entities for commercial and industrial category.

Further, based on the review of various documents provided by the Client, it is understood that EEPL has entered into a project development agreement with IL&FS Solar Power Limited, as per which IL&FS Solar Power Limited would set up the entire solar plant facility including land acquisition, development, design, engineering, procurement, construction, erection, testing and commissioning of the solar park. For the same, IL&FS Solar Power Limited will receive deferred payments from EEPL in equated monthly instalments for 15 years (180 months) from Commercial Operation Date (COD). Additionally, it is also understood that IL&FS Solar Power Limited would undertake the O&M services for the solar park facility for a period of 15 years from COD. For the same, EEPL would pay a lump sum operations and maintenance service fee (during the term of this agreement) to IL&FS Solar Power Limited.

Statement of Assets: Based on review of various documents (such as deferred payment agreement, project development agreement, commissioning certificates, Government Order, etc.), the solar park has an installed capacity of approximately 130 Mega Watts (MW) DC (output will be 100 MW AC), capable of generating at least 215 Million Units (MU) of electricity by the end of the first 12 months from the date on which it achieves COD and subject to plant stabilization. Table below highlights the details for the subject plant:

Particular	Detail
Capacity (MW) (A)	130 MW DC (100 MW AC)
Plant Load Factor (%) (B)	18.88%
Number of hours in a day (C)	24
Days in a year (D)	365
Total units generated (kWH) (A * B * C * D) * 1000	215 Million Units (MU)* in kWH in Year 1

*Source: Various documents/ inputs provided by the Client; * Subject to plant stabilization, however, considering the past performance of the subject plant, the maximum generation has been capped at approx. 200 Million Units (MU) for any given year*

As per the PPAs executed with various entities, the purchasers have agreed to purchase at least 85% of the contracted quantity **('minimum guaranteed offtake')** each tariff year, commencing from the commercial operation date until the end of the term.

Key Assumptions:

Particulars	Unit	Details
Development Timelines		
COD	Date	28th February 2018*
Revenue assumptions (as on March 31, 2020)		
BESCOM Tariff – Commercial	INR per kWH	9.00
BESCOM Tariff – Industrial	INR per kWH	7.40
Blended Tariff	**INR per kWH**	**8.76****
Other financial assumptions		
Useful Life	Years	25 years
Cost of Equity	%	13.50%

** 40% commenced operations on 23rd January 2018 and balance 60% on 28th February 2018*
*** In proportion of the distribution between commercial and industrial category consumers*

Market Value: **INR 10,289 Mn (includes debt of INR 6,489 Mn)**

Annexures

Key Assumptions and Value Summary – March'20

*Indicative of Embassy REIT's economic interest in the asset, viz. 50%; ^ Inclusive of car park rent

Asset	Leasable Area (msf)/ Keys/ MW			Discount Rate		Cap Rate/ EBITDA Multiple	Rent/ ADR/Tariff Rate	GAV as of Mar'20 (Rs mm)		
	Completed	Proposed/ U/C	Total	Completed	U/C			Completed	Proposed/ U/C	Total
Commercial Assets										
Embassy Manyata	11.8	3.1	14.8	12.03%	13.00%	8.00%	90	129,952	20,154	150,106
Embassy GolfLinks*	2.7	0.0	2.7	12.03%	NA	8.00%	148	27,014	-	27,014
Embassy One	0.3	0.0	0.3	12.03%	NA	7.50%	147^	4,897	-	4,897
Express Towers	0.5	0.0	0.5	12.03%	NA	7.50%	270	17,866	-	17,866
Embassy 247	1.2	0.0	1.2	12.03%	NA	8.00%	110^	16,624	-	16,624
FIFC	0.4	0.0	0.4	12.03%	NA	7.75%	285	13,911	-	13,911
Embassy TechZone	2.2	3.3	5.5	12.03%	13.00%	8.25%	48	14,929	6,103	21,032
Embassy Quadron	1.9	0.0	1.9	12.03%	NA	8.25%	48	13,838	-	13,838
Embassy Qubix	1.5	0.0	1.5	12.03%	NA	8.25%	48	10,085	-	10,085
Embassy Oxygen	2.5	0.7	3.3	12.03%	13.00%	8.25%	54	19,492	1,924	21,416
Embassy Galaxy	1.4	0.0	1.4	12.03%	NA	8.25%	45	8,696	-	8,696
Sub-Total (Commercial Offices)	**26.2**	**7.1**	**33.3**					**277,304**	**28,181**	**305,485**
Hospitality Asset										
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	12.63%	NA	14x	9,000	4,436	-	4,436
Four Seasons at Embassy One	230 Keys	-	230 Keys	12.63%	NA	14x	10,500	7,673	-	7,673
Hilton at Embassy Manyata (5 Star)	-	266 Keys	266 Keys	NA	13.60%	14x	8,000	-	2,378	2,378
Hilton at Embassy Manyata (3 Star)	-	353 Keys	353 Keys	NA	13.60%	14x	5,500	-	1,422	1,422
Sub-Total (Hospitality)	**477 Keys**	**619 Keys**	**1096 Keys**					**12,109**	**3,800**	**15,909**
Others										
Embassy Energy	100MW	-	100MW	13.50%	NA	NA	8.76	10,289	-	10,289
Sub-Total (Others)	**100MW**	**-**	**100MW**					**10,289**	**-**	**10,289**
Total	**26.2 msf/477 Keys/100MW**	**7.1 msf/619 Keys**	**33.3 msf/1096 Keys/100MW**					**299,702**	**31,981**	**331,683**
% Split								**90%**	**10%**	**100%**

EMBASSY OFFICE PARKS MANAGEMENT SERVICES PRIVATE LIMITED | EMBASSY OFFICE PARKS REIT

Key Assumptions and Value Summary – September'19

*Indicative of Embassy REIT's economic interest in the asset, viz. 50%

Asset	Leasable Area (msf)/ Keys/ MW			Discount Rate		Cap Rate/ EBITDA Multiple	Rent/ ADR/Tariff Rate	GAV as of Sep'19 (Rs mm)		
	Completed	Proposed/ U/C	Total	Completed	U/C			Completed	Proposed/ U/C	Total
Commercial Assets										
Embassy Manyata	11.0	3.3	14.2	12.30%	13.30%	8.00%	85	113,662	22,306	135,968
Embassy GolfLinks*	2.7	0.0	2.7	12.30%	NA	8.00%	146	26,432	-	26,432
Embassy One	0.3	0.0	0.3	12.30%	NA	7.50%	153	5,608	-	5,608
Express Towers	0.5	0.0	0.5	12.30%	NA	7.50%	275	18,590	-	18,590
Embassy 247	1.2	0.0	1.2	12.30%	NA	8.00%	105	17,256	-	17,256
FIFC	0.4	0.0	0.4	12.30%	NA	7.75%	290	14,912	-	14,912
Embassy TechZone	2.2	3.3	5.5	12.30%	13.30%	8.25%	48	15,395	5,930	21,325
Embassy Quadron	1.9	0.0	1.9	12.30%	NA	8.25%	50	14,609	-	14,609
Embassy Qubix	1.5	0.0	1.5	12.30%	NA	8.25%	48	9,962	-	9,962
Embassy Oxygen	1.9	1.3	3.3	12.30%	13.30%	8.25%	54	15,107	5,550	20,657
Embassy Galaxy	1.4	0.0	1.4	12.30%	NA	8.25%	45	8,914	-	8,914
Sub-Total (Commercial Offices)	**24.8**	**7.9**	**32.7**					**260,447**	**33,786**	**294,233**
Hospitality Asset										
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	12.63%	NA	14x	8,750	5,045	-	5,045
Four Seasons at Embassy One	230 Keys	-	230 Keys	12.63%	NA	14x	11,200	8,244	-	8,244
Hilton at Embassy Manyata (5 Star)	-	266 Keys	266 Keys	NA	13.63%	14x	7,500	-	2,064	2,064
Hilton at Embassy Manyata (3 Star)	-	353 Keys	353 Keys	NA	13.63%	14x	5,000	-	1,016	1,016
Sub-Total (Hospitality)	**477 Keys**	**619 Keys**	**1096 Keys**					**13,289**	**3,079**	**16,368**
Others										
Embassy Energy	100MW	-	100MW	13.50%	NA	NA	8.36	10,519	-	10,519
Sub-Total (Others)	**100MW**	**-**	**100MW**					**10,519**	**-**	**10,519**
Total	**24.8 msf/477 Keys/100MW**	**7.9 msf/619 Keys**	**32.7 msf/1096 Keys/100MW**					**284,255**	**36,865**	**321,120**
% Split								**89%**	**11%**	**100%**

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Note

Note

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